

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: The Houston Exploration Company Operator Account Number: N 2525
Address: 1100 Louisiana Suite 2000
city Houston
state TX zip 77002 Phone Number: (713) 830-6844

Well 1

| | | | | | | |
|-----------------------|-----------------------------|-------|------------|---------|-----|---------------------|
| 4304737571 | Hacking Reservoir 7-32-8-25 | SWNE | 32 | 8S | 25E | Unitah |
| A | 99999 | 15885 | 12/21/2006 | 1/18/07 | | |
| Comments: <i>MURD</i> | | | | | | CONFIDENTIAL |

Well 2

| | | | | | | |
|-----------|--|--|--|--|--|--|
| | | | | | | |
| | | | | | | |
| Comments: | | | | | | |

Well 3

| | | | | | | |
|-----------|--|--|--|--|--|--|
| | | | | | | |
| | | | | | | |
| Comments: | | | | | | |

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Abbye Hazeldean

Name (Please Print)

Abbye Hazeldean

Signature

Engineering Tech.

1/18/2007

Title

Date

(5/2000)

RECEIVED
JAN 18 2007
DIV. OF OIL, GAS & MINING

CONFIDENTIAL

FORM 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|--|--|---|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-11124 |
| 2. NAME OF OPERATOR: The Houston Exploration Company | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 1100 Louisiana, Suite 2000 CITY Houston STATE TX ZIP 77002 | | 7. UNIT or CA AGREEMENT NAME: |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2126' FNL & 2033' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 32 8S 25E | | 8. WELL NAME and NUMBER: Hacking Reservoir 7-32-8-25 9. API NUMBER: 4304737571 10. FIELD AND POOL, OR WLDCAT: Undesignated |
| | | COUNTY: Uintah STATE: UTAH |

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|--|---|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator respectfully requests to change TD from 5,600 to 6,600. Verbal permission was requested to Dustin Doucet on 1/16/06 at 3:00 pm.

COPY SENT TO OPERATOR
Date: 1-23-07
Initials: RM

NAME (PLEASE PRINT) William A Ryan TITLE Agent
SIGNATURE William A Ryan DATE 1/16/2006

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS AND MINING
DATE: 3/17/07
BY: [Signature]
(See instructions on Reverse Side)

RECEIVED

JAN 22 2007

DIV. OF OIL, GAS & MINING

Well name:

01-06 Houston Hacking Reservoir 7-32-8-25revll.Operator: **Houston Exploration Company**String type: **Production**

Project ID:

43-047-37571

Location: **Uintah County****Design parameters:****Collapse**Mud weight: 10.000 ppg
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

Environment:H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 156 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft**Burst:**

Design factor 1.00

Cement top: 2,689 ft

BurstMax anticipated surface pressure: 2,597 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 3,377 psi

No backup mud specified.

Tension:8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)**Non-directional string.**

Tension is based on buoyed weight.

Neutral point: 5,528 ft

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 6500 | 4.5 | 11.60 | N-80 | LT&C | 6500 | 6500 | 3.875 | 567.2 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 3377 | 6350 | 1.881 | 3377 | 7780 | 2.30 | 64 | 223 | 3.48 J |

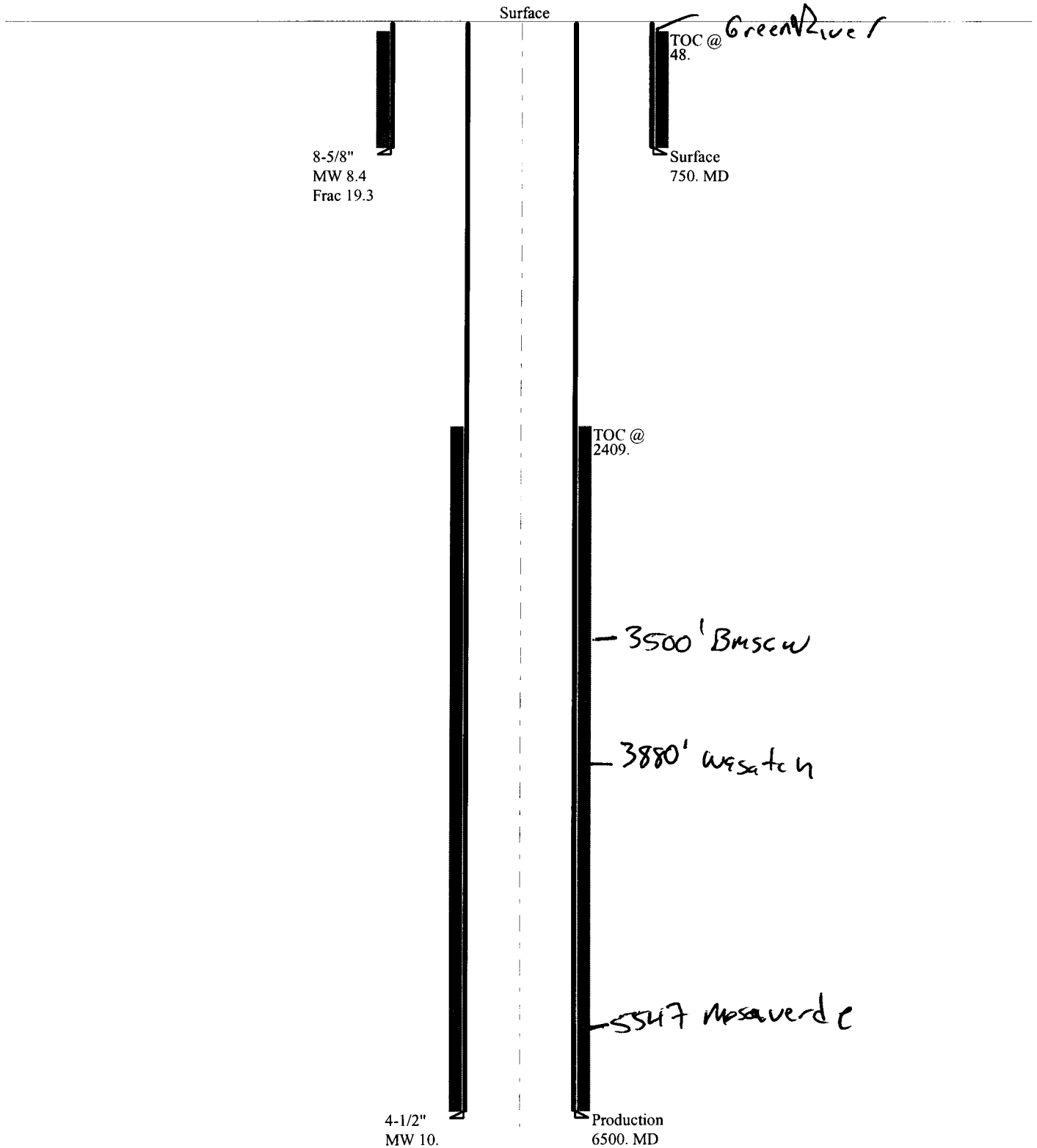
Prepared by: Dustin K. Doucet
Div of Oil, Gas & MineralsPhone: 801-538-5281
FAX: 810-359-3940Date: January 18, 2007
Salt Lake City, Utah**Remarks:**Collapse is based on a vertical depth of 6500 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

01-06 Houston Hacking Reservoir 7-32-8-25revII.

Casing Schematic



✓ o.k. DHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

| | | | | | |
|---|--|---|--|--|-------------------------------|
| APPLICATION FOR PERMIT TO DRILL | | | | 5. MINERAL LEASE NO: ML-11124 | 6. SURFACE: Federal |
| 1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> | | | | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME: | |
| B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> | | | | 8. UNIT or CA AGREEMENT NAME: | |
| 2. NAME OF OPERATOR: The Houston Exploration Company | | | | 9. WELL NAME and NUMBER: Hacking Reservoir 7-32-8-25 | |
| 3. ADDRESS OF OPERATOR: 1100 Louisiana, Suit 20 CITY Houston STATE TX ZIP 77002 | | | | 10. FIELD AND POOL, OR WILDCAT: Undesignated Wildcat | |
| 4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2,126' FNL & 2,033' FEL AT PROPOSED PRODUCING ZONE: Same as above | | | | 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 32 T8S 25E | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 42.9 miles south of Vernal, UT | | | | 12. COUNTY: Uintah | 13. STATE: UTAH |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 2,033' | | 16. NUMBER OF ACRES IN LEASE: 600 | | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 | |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1,200' | | 19. PROPOSED DEPTH: 5,600 | | 20. BOND DESCRIPTION: 104155044 | |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,438' GR | | 22. APPROXIMATE DATE WORK WILL START: 1/15/2006 | | 23. ESTIMATED DURATION: 30 Days | |

| 24. PROPOSED CASING AND CEMENTING PROGRAM | | | | | | | |
|---|---|------|-------|---------------|---|---------|---------|
| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | | | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT | | |
| 11" | 9 5/8 | J-55 | 36# | 2,000 | Premium Lite II | 250 sks | 3.38 CF |
| | | | | | Class "G" | 329 sks | 1.2 CF |
| | | | | | Calcium Chloride | 200 sks | 1.10 CF |
| 7 7/8 | 4 1/2 | N-80 | 11.6# | 5,600 | Premium Lite II | 200 sks | 3.3 CF |
| | | | | | Class "G" | 400 sks | 1.56 CF |
| | | | | | | | |
| | | | | | | | |

| 25. ATTACHMENTS | |
|--|--|
| VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES: | |
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

CONFIDENTIAL

NAME (PLEASE PRINT) William A. Ryan TITLE Agent

SIGNATURE William A. Ryan DATE 12-20-05

(This space for State use only)

API NUMBER ASSIGNED: 43-047-37571

Approved by the
Utah Division of
Oil, Gas and Mining
APPROVAL:

RECEIVED
DEC 27 2005

Date: 01-12-06
By: [Signature]

DIV. OF OIL, GAS & MINING

T8S, R25E, S.L.B.&M.

THE HOUSTON EXPLORATION COMPANY

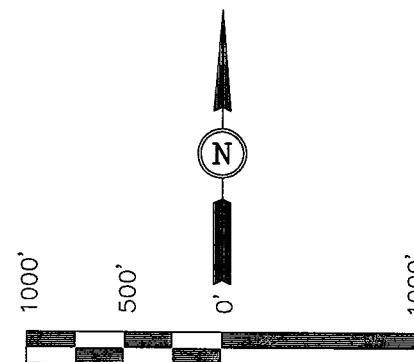
Well location, HACKING RESERVOIR #7-32-8-25, located as shown in the SW 1/4 NE 1/4 of Section 32, T8S, R25E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT A TRAIL CROSSING IN THE SW 1/4 CORNER OF SECTION 4, T9S, R25E, S.L.B.&M. TAKEN FROM THE WALSH KNOLLS, QUADRANGLE, UTAH-COLORADO, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5607 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE

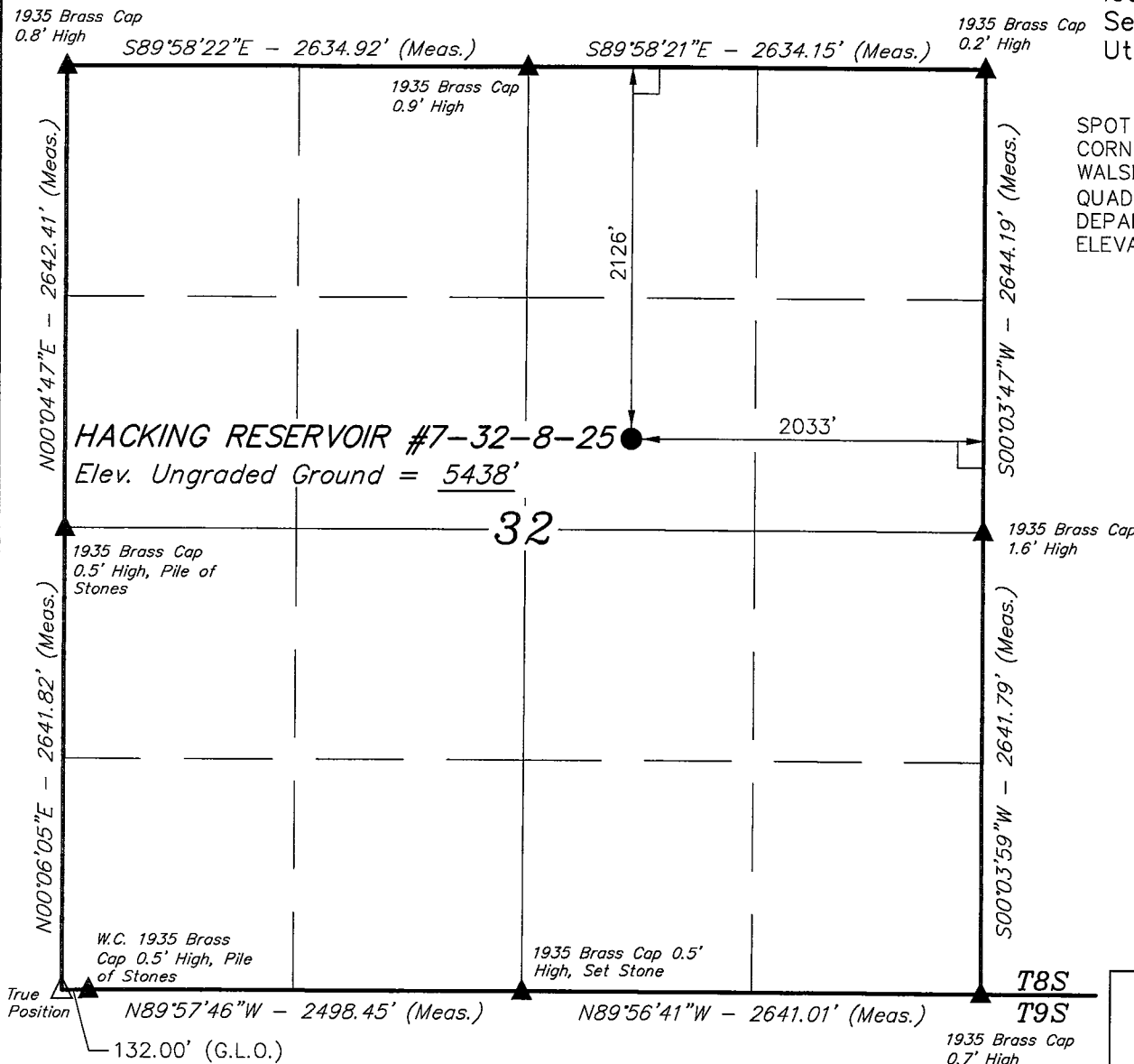
CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert L. ...
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

| | | |
|---------------------------|---|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 11-9-05 | DATE DRAWN: 11-17-05 |
| PARTY N.H. D.S. E.C.O. | REFERENCES G.L.O. PLAT | |
| WEATHER COOL | FILE THE HOUSTON EXPLORATION COMPANY | |



LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = TRUE POSITION.

(AUTONOMOUS NAD 83)
LATITUDE = 40°04'49.53" (40.080425)
LONGITUDE = 109°07'22.37" (109.122881)
(AUTONOMOUS NAD 27)
LATITUDE = 40°04'49.65" (40.080458)
LONGITUDE = 109°07'19.95" (109.122208)

Ten Point Plan

The Houston Exploration Company

Hacking Reservoir 7-32-8-25

Surface Location SW ¼ NE ¼, Section 32, T. 8S., R. 25E.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

| <u>Formation</u> | <u>Depth</u> | <u>Datum</u> |
|-------------------------|--------------|--------------|
| Green River | Surface | +5,438' G.L. |
| Uteland Butte Limestone | 3,746 | +1,692' |
| Wasatch | 3,880 | +1,558' |
| Mesaverda | 5,547 | -109' |
| TD | 6,500' | -1,062' |

A 11" hole will be drilled to 2,000' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

3. Producing Formation Depth:

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off Set Well information:

Proposed Well:

Hacking Reservoir #15-32-8-25
Hacking Reservoir #11-32-8-25
Hacking Reservoir #9-32-8-25
Hacking Reservoir #5-32-8-25
Hacking Reservoir #3-32-8-25

Shut in Well:

C.S. #32-2

Abandoned Well:

C.B. #33-5

4. Proposed Casing:

| <u>Hole Size</u> | <u>Casing Size</u> | <u>Weight/FT</u> | <u>Grade</u> | <u>Setting & Tread</u> | <u>Casing Depth</u> | <u>New/Used</u> |
|----------------------|------------------------|------------------|--------------|--------------------------------|-------------------------|-----------------|
| 11 | 9 5/8 | 36# | J-55 | STC | 2000 | NEW |
| 7 7/8 | 4 1/2 | 11.6# | N-80 | LTC | T.D. | NEW |

Cement Program:

The Surface Casing will be cemented to the Surface as follows:

| | <u>Casing Size</u> | <u>Cement Type</u> | <u>Cement Amounts</u> | <u>Cement Yield</u> | <u>Cement Weight</u> |
|----------|------------------------|--|---------------------------|-------------------------|--------------------------|
| Lead: | 9 5/8 | Premium Lite II .05#/sk Static Free .25#/sk Cello Flake 5#/sk KOL Seal .002 gps FP-6L 10% Bentonite .5% Sodium Metasilicate 3% Potassium Chloride | 250 sks. +/- | 3.38ft ³ /sk | 11.0 ppg |
| Tail: | 9 5/8 | Class "G" 2% Calcium Chloride .25#/sk Cello Flake | 329 sks. +/- | 1.2ft ³ /sk | 15.6 ppg |
| Top Job: | 9 5/8 | 4% Calcium Chloride .25#/sk Cello Flake | 200 sks. +/- | 1.10ft ³ /sk | 15.6 ppg |

Production casing will be cemented to 2,500' or higher as follows:

| | <u>Casing Size</u> | <u>Cement Type</u> | <u>Cement Amounts</u> | <u>Cement Yield</u> | <u>Cement Weight</u> |
|-------|------------------------|---|---------------------------|-------------------------|--------------------------|
| Lead: | | | | | |
| | 4 1/2 | Premium Lite II .25#/sk Cello Flake .05#/sk Static Free 5#/sk Kol Seal 3% Potassium Chloride .055 gps FP-6L 10% Bentonite .5 Sodium Metasilicate | 200 sks +/- | 3.3ft ³ /sk | 11.0 ppg |
| Tail: | | | | | |
| | 4 1/2 | Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite | 400 sks +/- | 1.56ft ³ /sk | 14.3 ppg |

5. **BOP and Pressure Containment Data:**

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. **Mud Program:**

| <u>Interval</u> | <u>Mud weight lbs./gal.</u> | <u>Viscosity Sec./OT.</u> | <u>Fluid Loss Ml/30 Mins.</u> | <u>Mud Type</u> |
|-----------------|---------------------------------|-------------------------------|-----------------------------------|-----------------|
| 0-2000 | Air/Clear Water | ----- | No Control | Water/Gel |
| 2000-T.D. | 8.4-12.0 | 30 | 8-10 | Water/Gel |

7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 ½" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging:

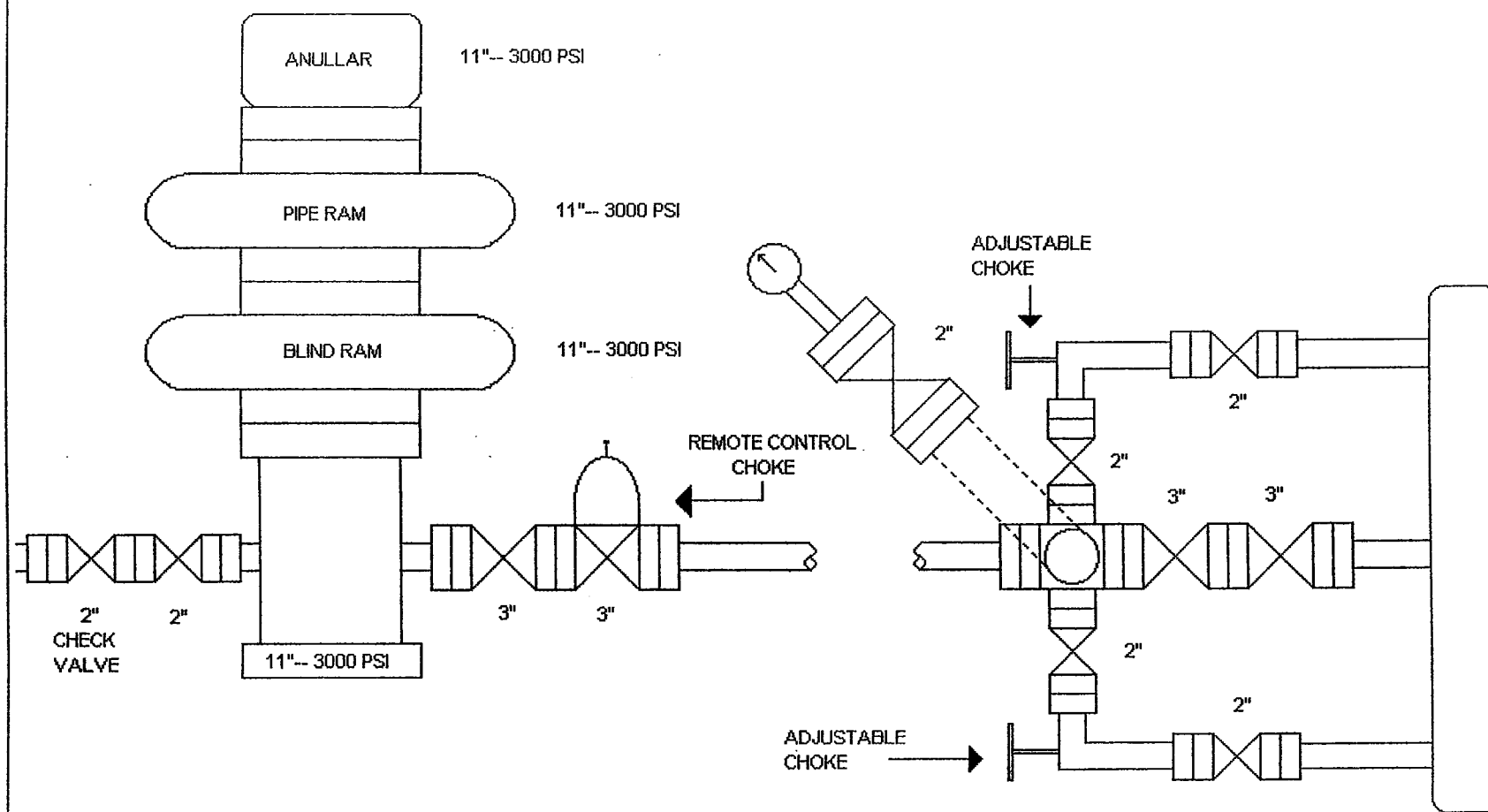
| Type | Interval |
|----------------------|-------------------|
| DLL/SFL W/GR and SP | T.D. to Surf. Csg |
| FDC/CNL W/GR and CAL | T.D. to Surf. Csg |

9. Abnormalities (including sour gas):

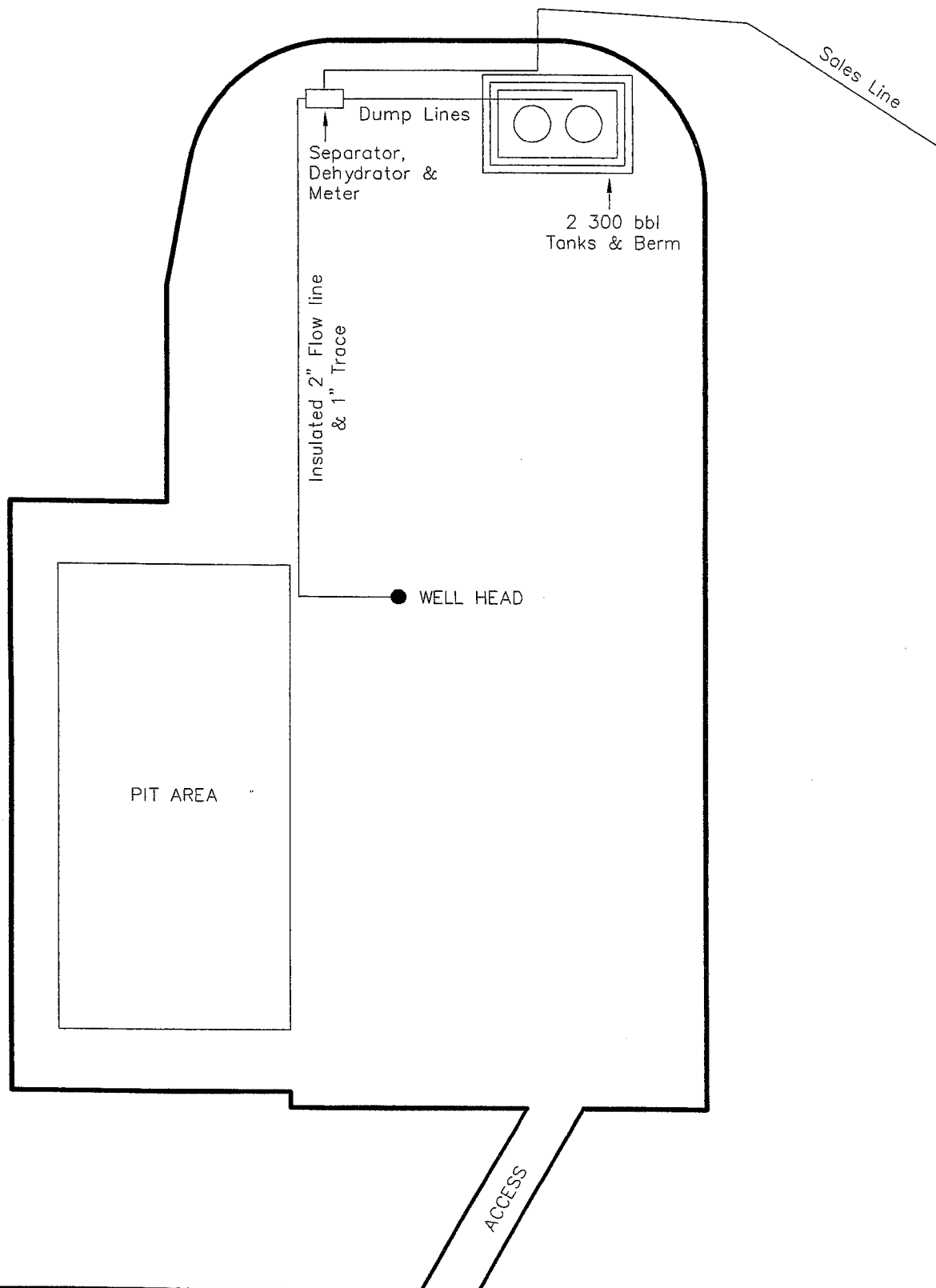
No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H₂S.

10. Drilling Schedule:

The anticipated starting date is 01/15/2006 Duration of operations is expected to be 30 days.



TYPICAL PRODUCTION LAYOUT



THE HOUSTON EXPLORATION COMPANY

13 POINT SURFACE USE PLAN

FOR WELL

HACKING RESERVIOR 7-32-8-25

LOCATED IN SW $\frac{1}{4}$ NE $\frac{1}{4}$

SECTION 32, T.8S, R25E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: ML-11124

SURFACE OWNERSHIP: FEDERAL

1. Existing Roads:

To reach The Houston Exploration Co. well Hacking Reservoir 7-32-8-25 in Section 32, T8S, R 25E, starting in Vernal, Utah:

Proceed in an easterly, then southerly, then southeasterly direction from Vernal, UT along US Highway 40 approximately 25.0 miles to the junction of this road and an existing road to the south; turn right and proceed in a southerly, then southeasterly, then southwesterly direction approximately 13.7 miles to the junction of this road and an existing road to the southeast; turn left and proceed in a southwesterly, then northeasterly, then southeasterly, then southwesterly direction approximately 3.4 miles to the beginning of the proposed access to the southwest; follow road flags in a southwesterly, then southeasterly, then northwesterly direction approximately 1.3 miles to the proposed access for the 15-32-8-25 to the southwest; follow road flags in a southwesterly, then southeasterly direction approximately 0.7 miles to the beginning of the proposed access to the northeast; follow road flags in a northeasterly direction approximately 0.1 miles to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 42.9 miles.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 528' +/- of new construction on lease. The road will be graded once per year minimum and maintained.

| | |
|----------------------------------|-------------|
| A) Approximate length | 528 ft |
| B) Right of Way width | 30 ft |
| C) Running surface | 18 ft |
| D) Surface material | Native soil |
| E) Maximum grade | 5% |
| F) Fence crossing | None |
| G) Culvert | None |
| H) Turnouts | None |
| I) Major cuts and fills | None |
| J) Road Flagged | Yes |
| K) Access road surface ownership | Federal |
| L) All new construction on lease | No |
| M) Pipe line crossing | None |

Please see the attached location plat for additional details.

An off lease right-of-way will be required.

All surface disturbances for the road and location will be within the lease boundary.

3. Location of existing wells

The following wells are located within a one-mile radius of the location site.

| | |
|-------------------|------|
| A) Producing well | None |
|-------------------|------|

- tank in the battery. The integrity of the dike will be maintained.

If the well is capable of economic production a surface gas line will be required.

An off lease right-of-way will not be required.

The gas meter run will be located within 500' of the wellhead. The gas line will be buried or anchored down from the wellhead to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-

4. Location of tank batteries, production facilities and production gathering service lines.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted an **Carlsbad Canyon** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is **Carlsbad Canyon**.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest

proving schedules. A copy of the meter calibration report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from The White River in Permit # T-76073.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately **12 ft.** deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for

drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90-day period an application for approval for permanent disposal method and location will be submitted to the authorized officer. **Evaporation may be used instead of trucking to facilitate closing and reclamation of the reserve pit. A pumping system would be used for evaporation.**

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized landfill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

| | |
|--------------------------------|---------------------|
| A) Pad length | 345 ft. |
| B) Pad width | 245 ft. |
| C) Pit depth | 12 ft. |
| D) Pit length | 150 ft. |
| E) Pit width | 75 ft. |
| F) Max cut | 15.5 ft. |
| G) Max fill | 2.4 ft. |
| H) Total cut yds. | 6,590 cu yds |
| I) Pit location | East end |
| J) Top soil location | North end |
| K) Access road location | West end |
| L) Flare Pit | corner C |

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,590 cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the

surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix

**To be determined by the
Authorized Officer.**

11. Surface ownership:

| | |
|--------------------|----------------|
| Access road | Federal |
| Location | Federal |
| Pipe line | Federal |

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of non-native species. Rabbit brush, bitter brush, and Indian Rice grass and Sagebrush are also found on the location.

B) Dwellings:

There are no dwellings or other facilities within a one-mile radius of the location.

C) Archeology:

The location has been surveyed.
A copy of that survey will be
forwarded to your office.

If, during operations, any
archaeological or historical
sites, or any objects of antiquity
(subject to the antiquities act of
June 8, 1906) are discovered, all
operations, which would affect
such sites, will be suspended
and the discovery reported
promptly to the surface
management agency.

D) Water:

**The nearest water is the
Hacking Reservoir located
approximately 2 miles to
the North.**

E) Chemicals:

No pesticides, herbicides or
other possible hazardous
chemicals will be used without
prior application.

F) Notification:

- a) Location Construction
At least forty eight (48)
hours prior to
construction of location
and access roads.
- b) Location completion
Prior to moving on the
drilling rig.
- c) Spud notice
At least twenty-four (24)
hours prior to spudding
the well.
- d) Casing string and

cementing
At least twenty-four (24)
hours prior to running
casing and cementing all
casing strings.

- e) BOP and related
equipment tests
At least twenty-four (24)
hours prior to initial
pressure tests.
- f) First production notice
Within five (5) business
days after the new well
begins, or production
resumes after well has
been off production for
more than 90 days.

G) Flare pit:

The flare pit will be located in
corner C of the reserve pit out
side the pit fences and 100 feet
from the bore hole on the east
side of the location. All fluids
will be removed from the pit
within 48 hours of occurrence.

13. Lessees or Operator's representative
and certification

A) Representative

William A. Ryan
Rocky Mountain Consulting
290 S 800 E
Vernal, UT 84078

Office 435-789-0968
Fax 435-789-0970
Cellular 435-828-0968

All lease and/or unit operations
will be conducted in such a
manner that full compliance is

made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

Rocky Mountain Consulting


Onsite Dates:

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be preformed by The Houston Exploration Company and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date 12-20-05


William A. Ryan, Agent

Statement of use of Hazardous Materials

No chemical(s) from the EPA's consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986 will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

William A Ryan
Agent for The Houston Exploration Company
Rocky Mountain Consulting
290 S 800 E
Vernal, UT 84078

435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax

THE HOUSTON EXPLORATION COMPANY
HACKING RESERVOIR #7-32-8-25
LOCATED IN UINTAH COUNTY, UTAH
SECTION 32, T8S, R25E, S.L.B.&M.

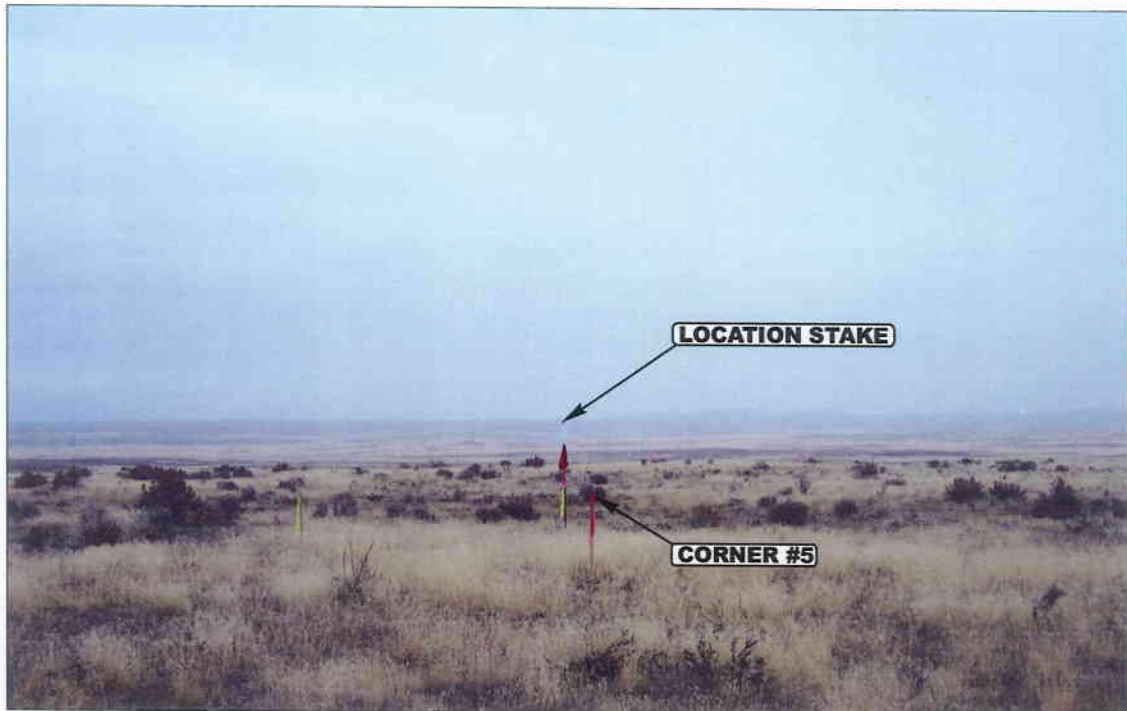


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHEASTERLY



- Since 1964 -

U **E** **L** **S** **U**intah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

11 **16** **05**
MONTH DAY YEAR

PHOTO

TAKEN BY: N.H.

DRAWN BY: C.H.

REVISED: 00-00-00

LOCATION LAYOUT FOR
HACKING RESERVOIR #7-32-8-25
SECTION 32, T8S, R25E, S.L.B.&M.
2126' FNL 2033' FEL

F-2.4'
El. 35.4'

Sta. 3+45

Approx.
Toe of
Fill Slope

SCALE: 1" = 50'
DATE: 11-17-05
DRAWN BY: E.C.O.

F-0.1'
El. 37.7'

NOTE:

Flare Pit is to be located
a min. of 100' from the
Well Head.

El. 39.4'
C-13.6'
(btm. pit):

El. 41.3'
C-15.5'
(btm. pit)

Approx.
Top of
Cut Slope

C-2.3'
El. 40.1'

C-1.8'
El. 39.6'

C-0.7'
El. 38.5'

Sta. 0+00

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5438.3'

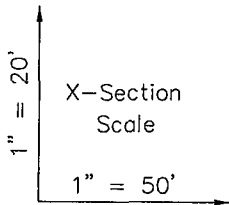
FINISHED GRADE ELEV. AT LOC. STAKE = 5437.8'

FIGURE #1

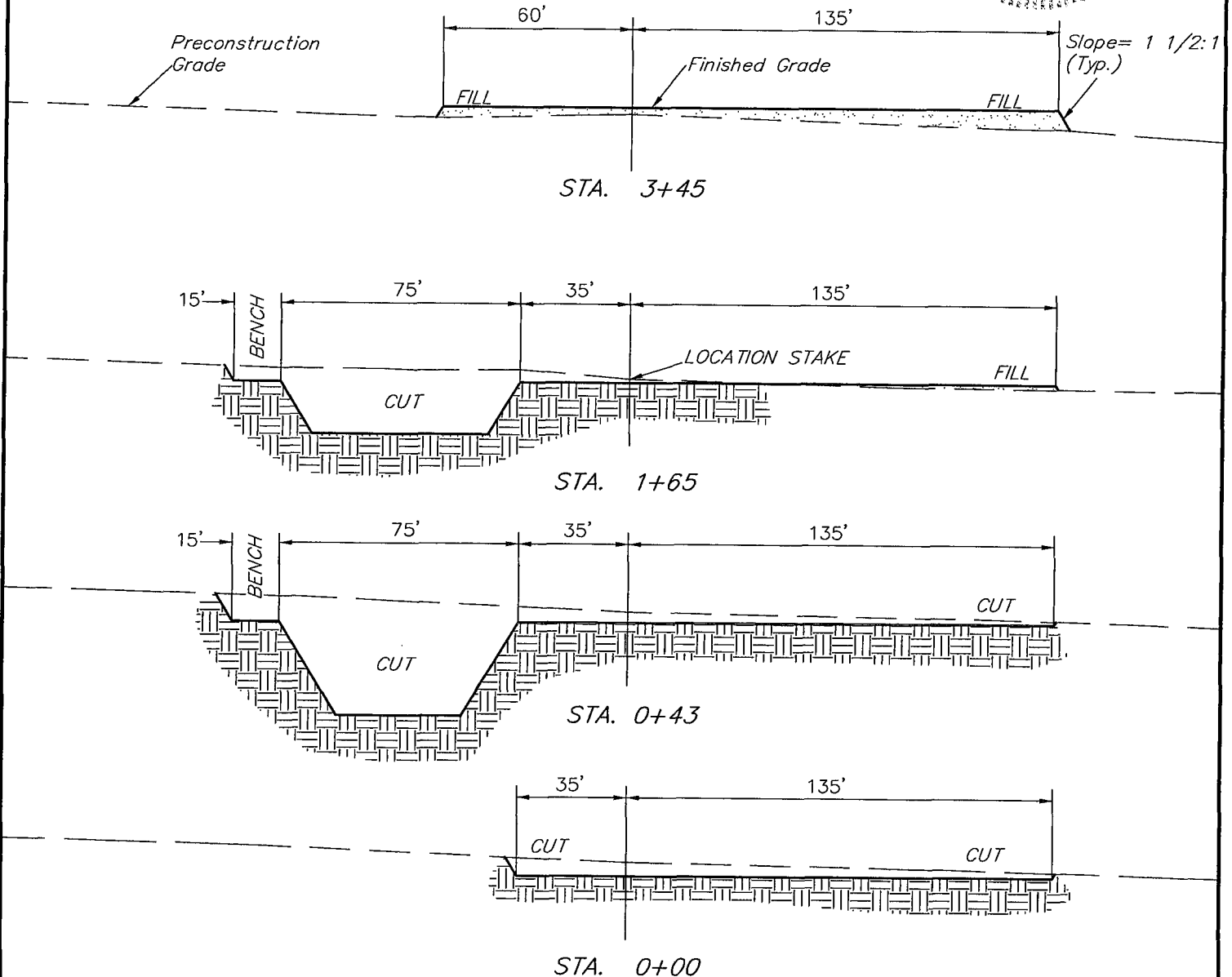
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85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

THE HOUSTON EXPLORATION COMPANY

TYPICAL CROSS SECTIONS FOR
HACKING RESERVOIR #7-32-8-25
SECTION 32, T8S, R25E, S.L.B.&M.
2126' FNL 2033' FEL



DATE: 11-17-05
DRAWN BY: E.C.O.



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

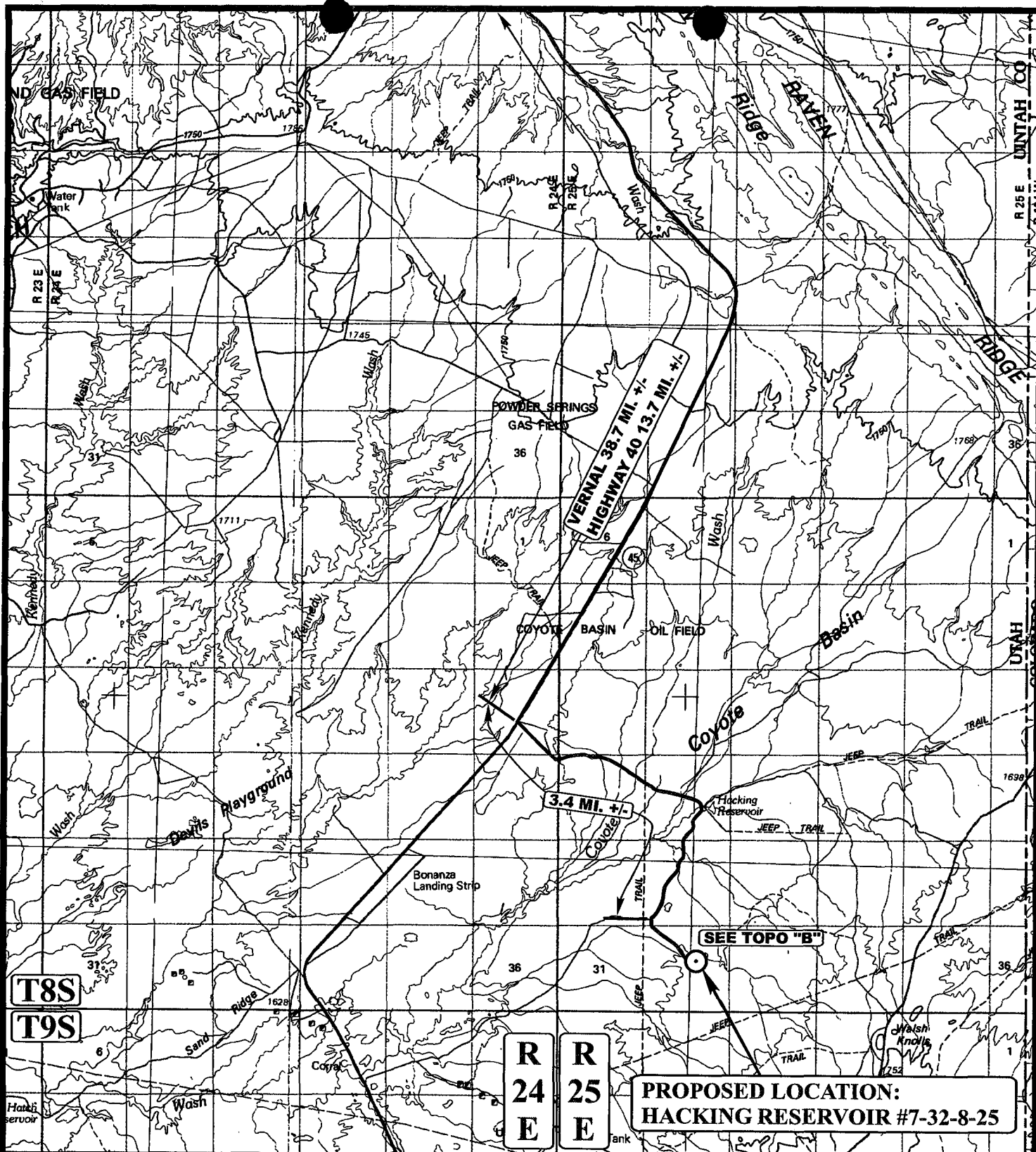
FIGURE #2

APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,590 Cu. Yds.
Remaining Location = 5,000 Cu. Yds.
TOTAL CUT = 6,590 CU.YDS.
FILL = 1,860 CU.YDS.

EXCESS MATERIAL = 4,730 Cu. Yds.
Topsoil & Pit Backfill = 3,290 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 1,440 Cu. Yds.
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



THE HOUSTON EXPLORATION COMPANY

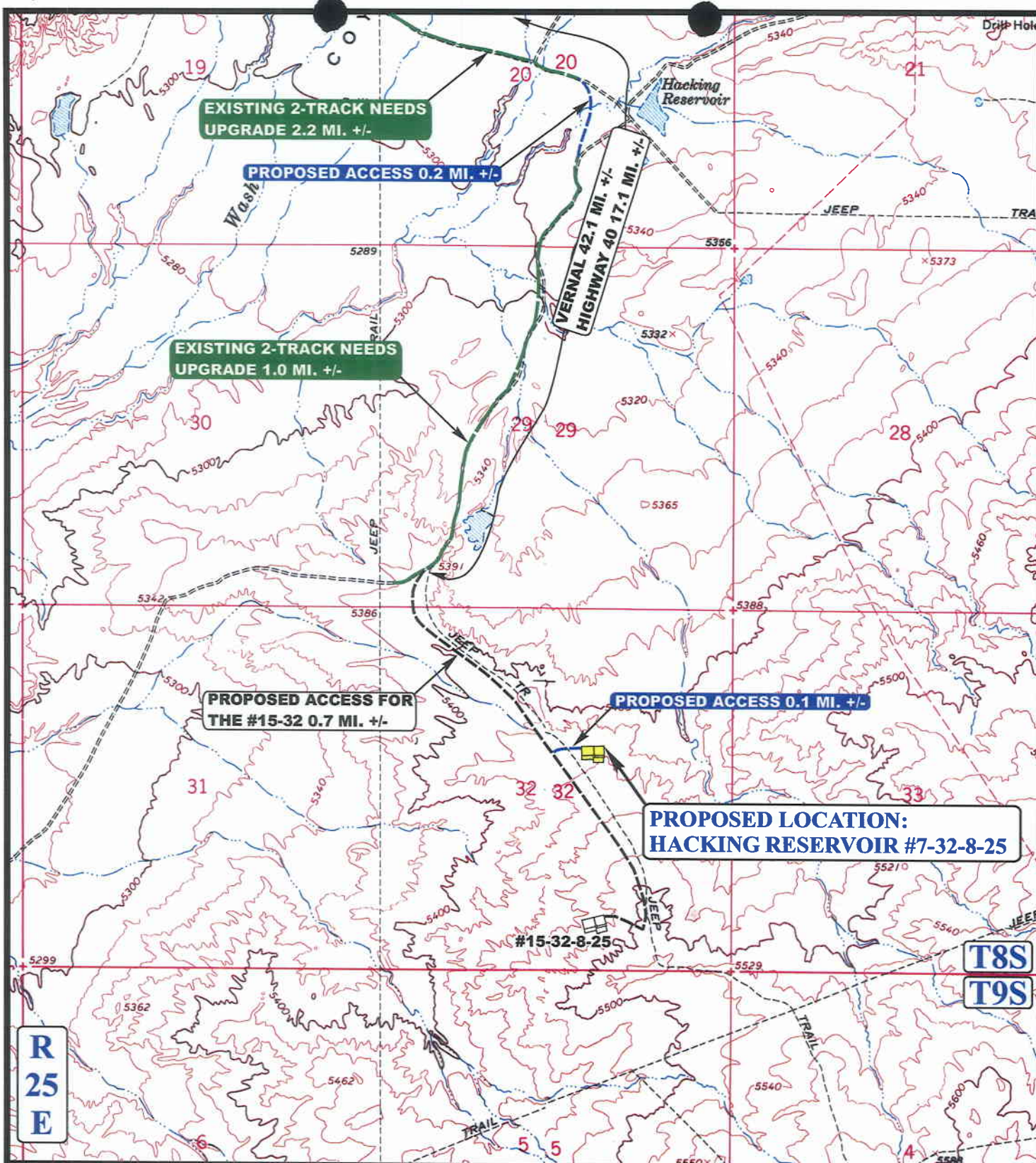
HACKING RESERVOIR #7-32-8-25
 SECTION 32, T8S, R25E, S.L.B.&M.
 2126' FNL 2033' FEL

TOPOGRAPHIC
 MAP

11 16 05
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.H. REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- EXISTING 2-TRACK NEEDS UPGRADED



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THE HOUSTON EXPLORATION COMPANY

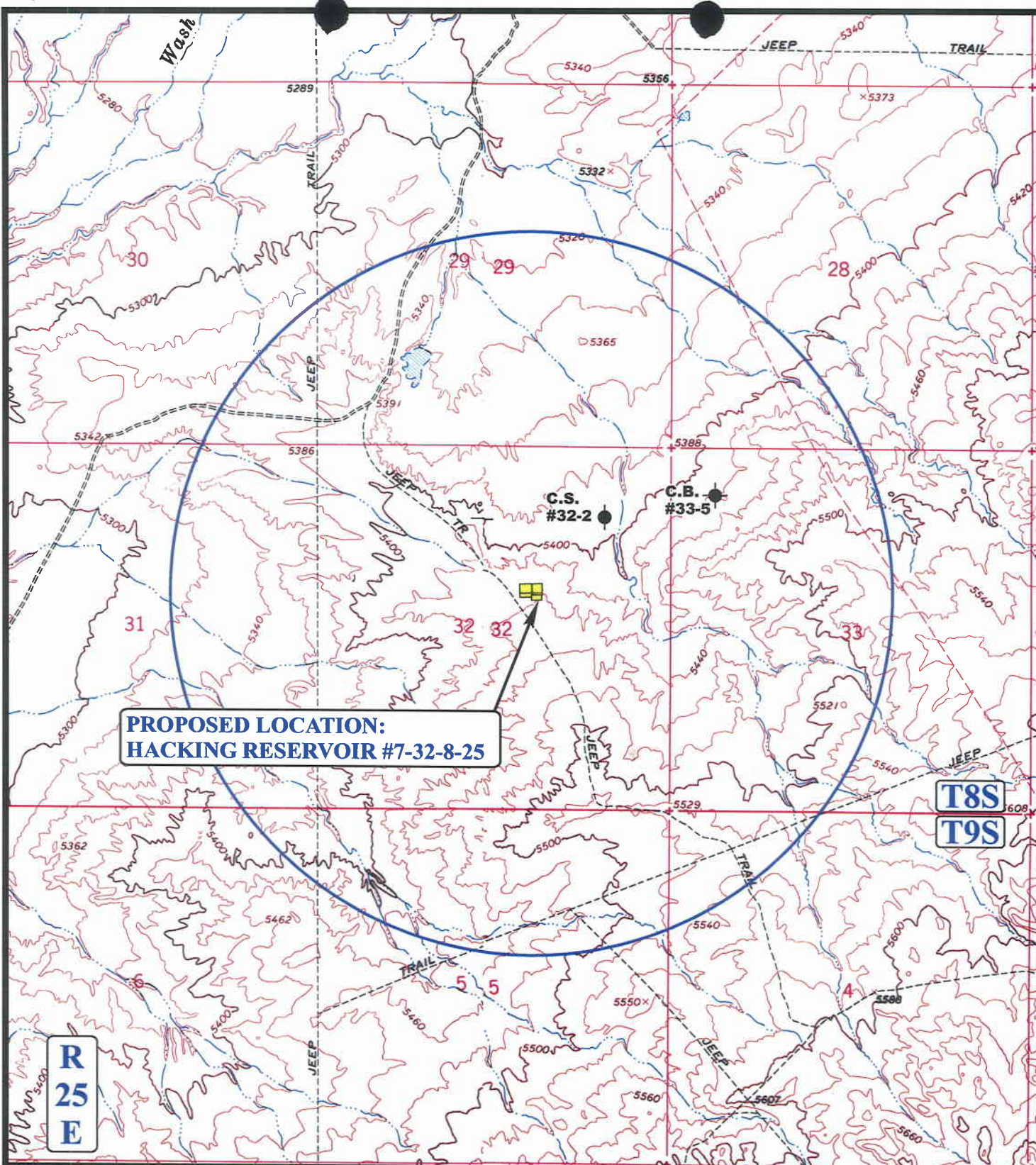
HACKING RESERVOIR #7-32-8-25
SECTION 32, T8S, R25E, S.L.B.&M.
2126' FNL 2033' FEL

TOPOGRAPHIC
MAP

11 16 05
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.H. REVISED: 00-00-00

B
 TOPO



LEGEND:

- DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



THE HOUSTON EXPLORATION COMPANY

HACKING RESERVOIR #7-32-8-25
SECTION 32, T8S, R25E, S.L.B.&M.
2126' FNL 2033' FEL

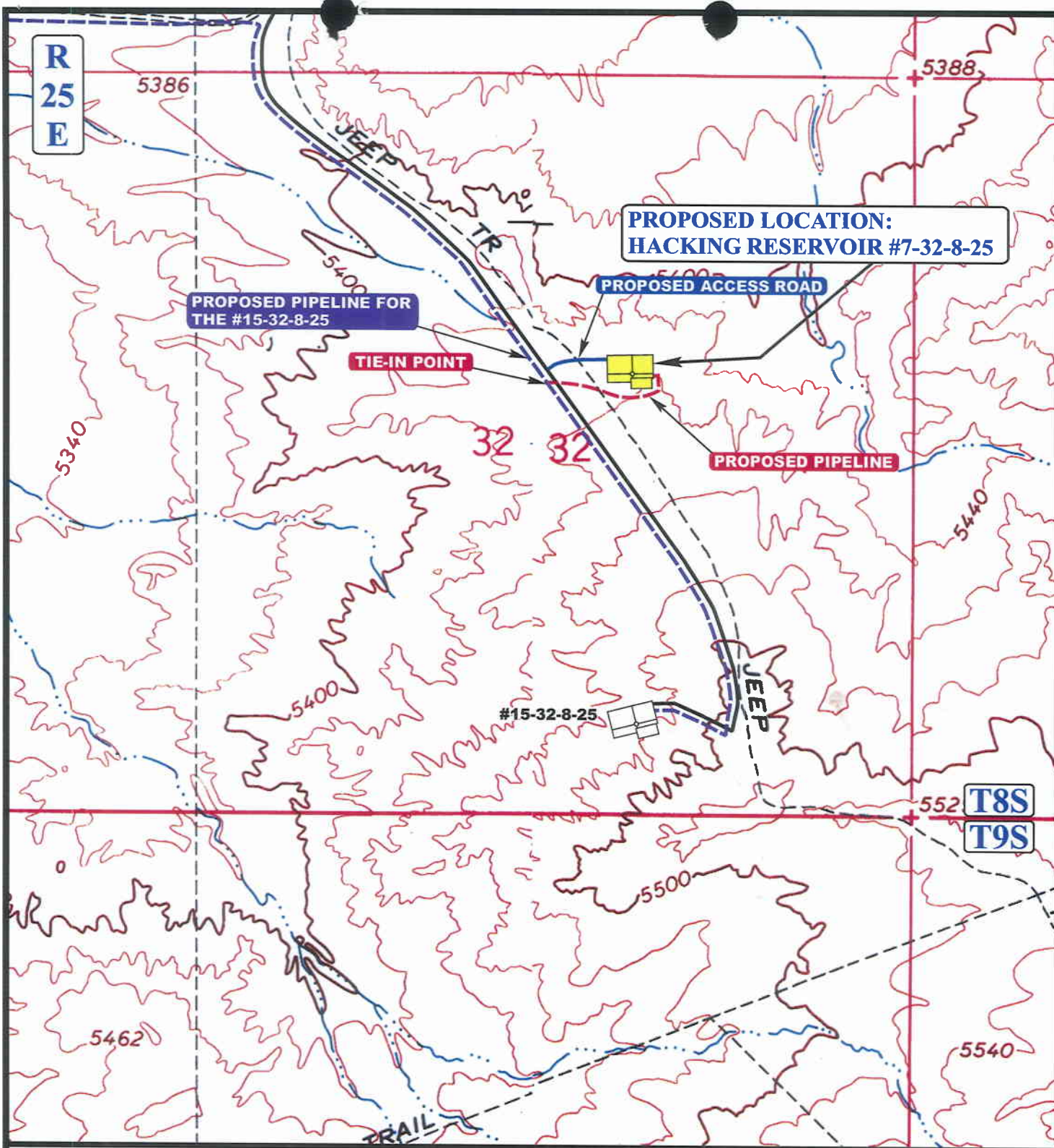


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TOPOGRAPHIC 11 16 05
MAP MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.H. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 1100' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE
- PROPOSED PIPELINE (SERVICING OTHER WELLS)



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(435) 789-1017 * FAX (435) 789-1813



THE HOUSTON EXPLORATION COMPANY

HACKING RESERVOIR #7-32-8-25
SECTION 32, T8S, R25E, S.L.B.&M.
2126' FNL 2033' FEL

TOPOGRAPHIC
MAP

11 16 05
MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: C.H. REVISED: 00-00-00

D
TOPO

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/27/2005

API NO. ASSIGNED: 43-047-37571

WELL NAME: HACKING RES 7-32-8-25

OPERATOR: HOUSTON EXPLORATION CO, (N2525)

CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

SWNE 32 080S 250E

SURFACE: 2126 FNL 2033 FEL

BOTTOM: 2126 FNL 2033 FEL

UINTAH

WILDCAT (1)

LEASE TYPE: 3 - State

LEASE NUMBER: ML-11124

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

| Tech Review | Initials | Date |
|-------------|----------|--------|
| Engineering | DKN | 1/4/06 |
| Geology | | |
| Surface | | |

LATITUDE: 40.08040

LONGITUDE: -109.1222

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. 104155044)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. T-76073)
☒ RDCC Review ☒ (N/N)
(Date: 01/12/2006)
☒ Fee Surf Agreement (Y/N)
☒ Intent to Commingle (Y/N)

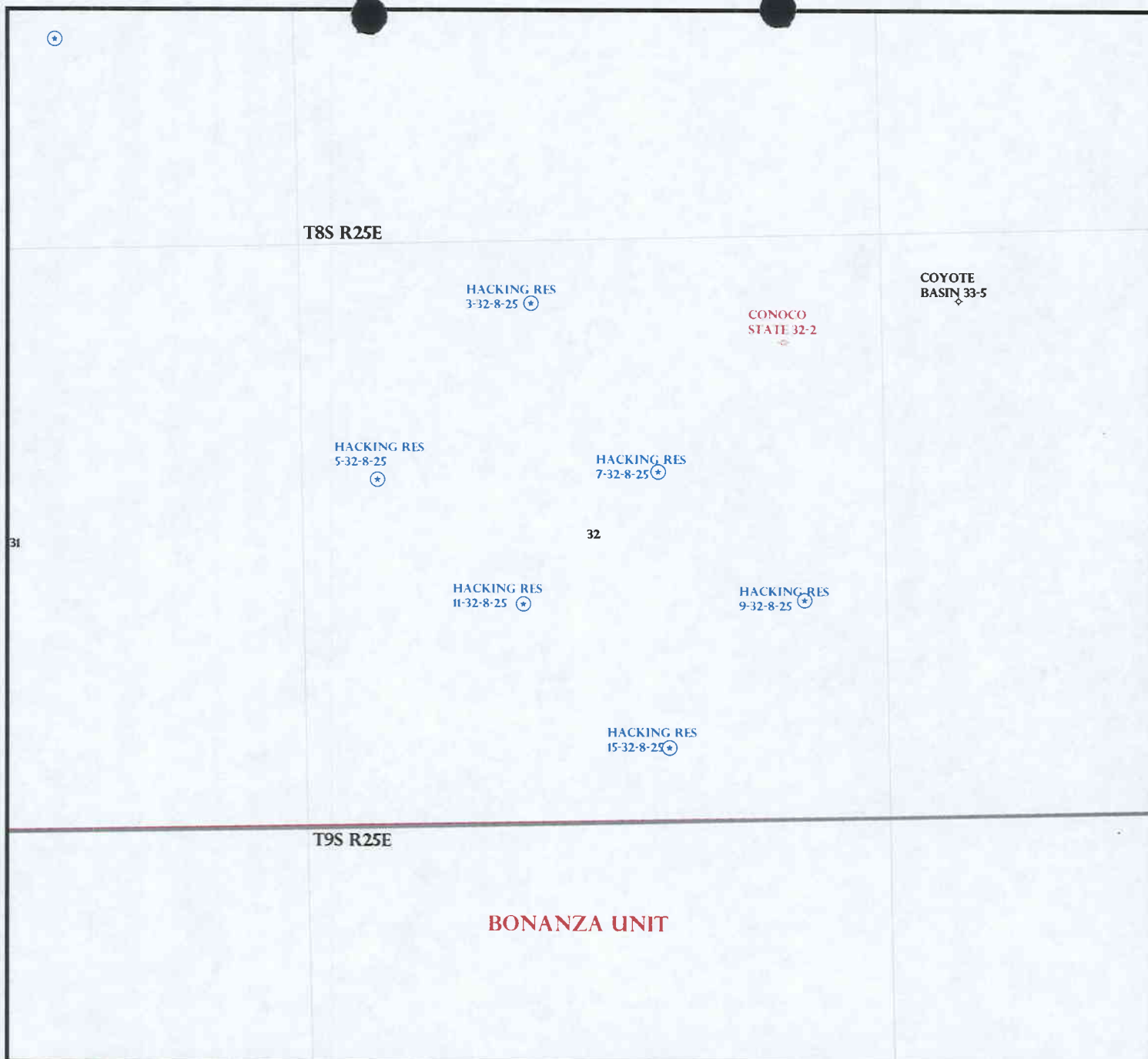
LOCATION AND SITING:

☐ R649-2-3.
Unit _____
☒ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
☐ R649-3-3. Exception
Drilling Unit _____
Board Cause No: _____
Eff Date: _____
Siting: _____
☐ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS:

1- Federal Approval
2- Spacing Strip
3- STATEMENT OF BASIS



OPERATOR: THE HOUSTON EXPL CO (N2525)

SEC: 32 T. 8S R. 25E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING

Field Status

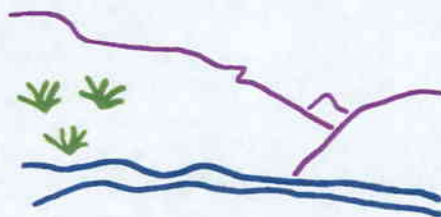
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 28-DECEMBER-2005

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: _____ THE HOUSTON EXPLORATION COMPANY
WELL NAME & NUMBER: _____ HACKING RESERVOIR 7-32-8-25
API NUMBER: _____ 43-047-37571
LOCATION: 1/4, 1/4 SWNE Sec: 32 TWP: 8S RNG: 25E 2126' FSL 2033' FEL

Geology/Ground Water:

The Houston Ex. Co. proposes to set 2000 feet of surface casing cemented to the surface. The base of the moderately saline water is estimated at 3,500 feet. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 32. The surface formation at this location is the Uinta Formation. The Uinta Formation is made up of discontinuous sands interbedded with shales and are not expected to produce prolific aquifers. The proposed surface casing should adequately protect any near surface aquifers.

Reviewer: _____ Brad Hill _____ **Date:** _____ 01/12/2006 _____

Surface:


The pre-site investigation of the surface was performed on 12/19/05. This site is on State surface, with state minerals. Jim Davis of SITLA was present but stated no concerns with drilling at this site. Ben Williams of DWR stated that this site is high value pronghorn habitat, and sage grouse brood habitat, but made no requests.

Reviewer: _____ Richard Powell _____ **Date:** _____ 12/19/2005 _____

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 16 mils and a felt subliner shall be properly installed and maintained in the reserve pit

STATE ACTIONS
Resource Development Coordinating Committee
Governor's Office of Planning and Budget
5110 State Office Building
SLC, UT 84114
Phone No. 537-9230

| | |
|---|---|
| 1. State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801 | 2. Approximate date project will start: Upon Approval or January 11, 2006 |
| 3. Title of proposed action: Application for Permit to Drill | |
| 4. Description of Project: The Houston Exploration Company proposes to drill the Hacking Reservoir 7-32-8-25 well (wildcat) on State lease ML-11124, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence. | |
| 5. Location and detailed map of land affected (site location map required, electronic GIS map preferred) (include UTM coordinates where possible) (indicate county) 2126' FNL 2033' FEL, SW/4 NE/4, Section 32, Township 8 South, Range 25 East, Uintah County, Utah | |
| 6. Possible significant impacts likely to occur: Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed. | |
| 7. Identify local government affected a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted? | |
| 8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable: a. Has the representative and senator been contacted? N/A | |
| 9. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Uintah Basin Association of Governments | |
| 10. For further information, contact: Diana Whitney Phone: (801) 538-5312 | 11. Signature and title of authorized officer  (for) Gil Hunt, Associate Director Date: December 28, 2005 |

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

| APPLICATION FOR PERMIT TO DRILL | | | | 5. MINERAL LEASE NO: ML-11124 | 6. SURFACE: Federal |
|--|--|--|--|--|------------------------|
| 1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> | | | | 7. IF INDIAN, ALLOTTEE OR TRIBE NAME: | |
| B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> | | | | 8. UNIT or CA AGREEMENT NAME: | |
| 2. NAME OF OPERATOR: The Houston Exploration Company | | | | 9. WELL NAME and NUMBER: Hacking Reservoir 7-32-8-25 | |
| 3. ADDRESS OF OPERATOR: 1100 Louisiana, Suit 20 th CITY Houston STATE TX ZIP 77002 | | | | PHONE NUMBER: (713) 830-6800 | |
| 4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2,126' FNL & 2,033' FEL AT PROPOSED PRODUCING ZONE: Same as above | | | | 10. FIELD AND POOL, OR WILDCAT: Undesignated <u>Wildcat</u> 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 32 T8S 25E | |
| 14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 42.9 miles south of Vernal, UT | | | | 12. COUNTY: Uintah | |
| 15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 2,033' | | | | 16. NUMBER OF ACRES IN LEASE: 600 | |
| 18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1,200' | | | | 17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40 | |
| 21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5,438' GR | | | | 20. BOND DESCRIPTION: 104155044 | |
| 22. APPROXIMATE DATE WORK WILL START: 1/15/2006 | | | | 23. ESTIMATED DURATION: 30 Days | |

| 24. PROPOSED CASING AND CEMENTING PROGRAM | | | | | | | |
|---|---|------|-------|---------------|---|---------|---------|
| SIZE OF HOLE | CASING SIZE, GRADE, AND WEIGHT PER FOOT | | | SETTING DEPTH | CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT | | |
| 11" | 9 5/8 | J-55 | 36# | 2,000 | Premium Lite II | 250 sks | 3.38 CF |
| | | | | | Class "G" | 329 sks | 1.2 CF |
| | | | | | Calcium Chloride | 200 sks | 1.10 CF |
| 7 7/8 | 4 1/2 | N-80 | 11.6# | 5,600 | Premium Lite II | 200 sks | 3.3 CF |
| | | | | | Class "G" | 400 sks | 1.56 CF |
| | | | | | | | |
| | | | | | | | |

| 25. ATTACHMENTS | |
|---|--|
| VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES: | |
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

CONFIDENTIAL

| | |
|-------------------------------------|---------------|
| NAME (PLEASE PRINT) William A. Ryan | TITLE Agent |
| SIGNATURE <u>William A. Ryan</u> | DATE 12-20-05 |

(This space for State use only)

API NUMBER ASSIGNED: 43-047-37571

APPROVAL:

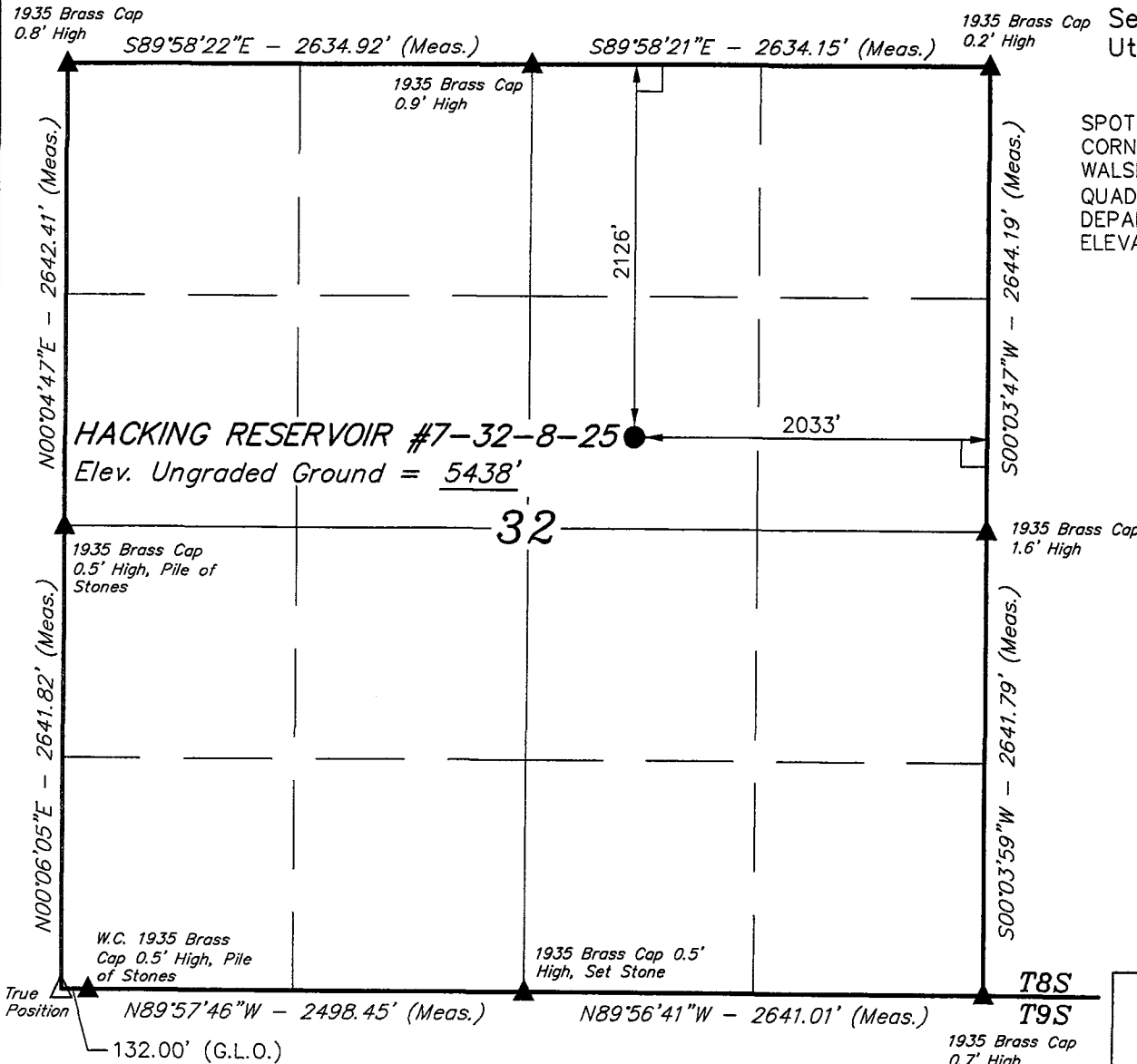
RECEIVED
DEC 27 2005

DIV. OF OIL, GAS & MINING

T8S, R25E, S.L.B.&M.

THE HOUSTON EXPLORATION COMPANY

Well location, HACKING RESERVOIR #7-32-8-25, located as shown in the SW 1/4 NE 1/4 of Section 32, T8S, R25E, S.L.B.&M. Uintah County, Utah.

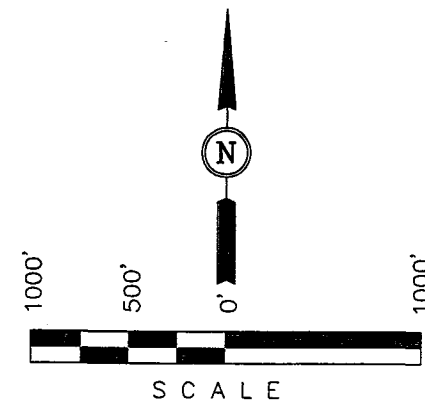


BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT A TRAIL CROSSING IN THE SW 1/4 CORNER OF SECTION 4, T9S, R25E, S.L.B.&M. TAKEN FROM THE WALSH KNOLLS, QUADRANGLE, UTAH-COLORADO, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5607 FEET.

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

[Signature]
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

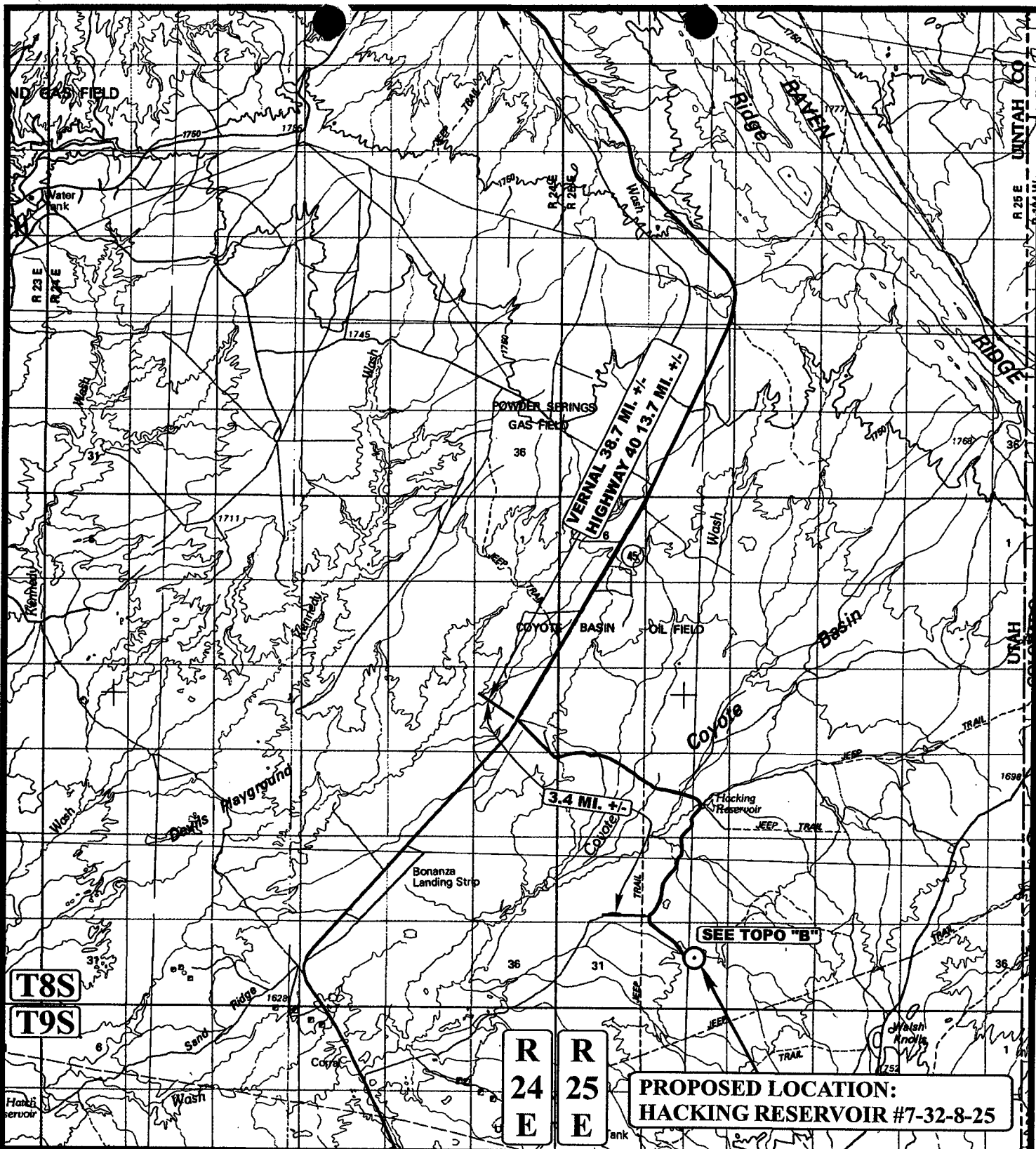
LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = TRUE POSITION.

(AUTONOMOUS NAD 83)
LATITUDE = 40°04'49.53" (40.080425)
LONGITUDE = 109°07'22.37" (109.122881)
(AUTONOMOUS NAD 27)
LATITUDE = 40°04'49.65" (40.080458)
LONGITUDE = 109°07'19.95" (109.122208)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

| | | |
|---------------------------|---|-------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 11-9-05 | DATE DRAWN: 11-17-05 |
| PARTY N.H. D.S. E.C.O. | REFERENCES G.L.O. PLAT | |
| WEATHER COOL | FILE THE HOUSTON EXPLORATION COMPANY | |



0106 Houston Hacking Reservoir 7-32-8-25

Casing Schematic

Surface

TOC @
0.

1045
TOC Tail

✓ w/15% Washout

TOC @
1789.

Surface
2000. MD

9-5/8"
MW 8.4
Frac 19.3

BHP

$$(2.052)(5600)(10) = 2912$$

Anticipate < 3,000

Gas

$$(1.12)(5600) = 672$$

MASP = 2240

BOPE - 3,000 ✓

Surf csg - 3520
70% = 2464

Max pressure @ Surf shoe = 2130
TEST TO 2200 # ✓

✓ Adequate DKO 1/11/06

4-1/2"
MW 10.

3500 Bmsw

3729 TOC Tail

3880 Washout ✓ w/15% Washout

5547 Mesaverde

Production
5600. MD

Well name:

01-06 Houston Hacking Reservoir 7-32-8-25Operator: **Houston Exploration Company**String type: **Surface**

Project ID:

43-047-37571

Location: **Uintah County****Design parameters:****Collapse**

Mud weight: 8.400 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 93 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 250 ft

Cement top: 0 ft

Burst

Max anticipated surface

pressure: 1,760 psi

Internal gradient: 0.120 psi/ft

Calculated BHP 2,000 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Tension is based on buoyed weight.

Neutral point: 1,751 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 5,600 ft

Next mud weight: 10.000 ppg

Next setting BHP: 2,909 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 2,000 ft

Injection pressure 2,000 psi

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 2000 | 9.625 | 36.00 | J-55 | LT&C | 2000 | 2000 | 8.796 | 142.4 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 873 | 2020 | 2.315 | 2000 | 3520 | 1.76 | 63 | 453 | 7.18 J |

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningPhone: 801-538-5280
FAX: 810-359-3940Date: January 10, 2006
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

01-06 Houston Hacking Reservoir 7-32-8-25Operator: **Houston Exploration Company**String type: **Production**

Project ID:

43-047-37571

Location: **Uintah County****Design parameters:****Collapse**

Mud weight: 10.000 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 65 °F

Bottom hole temperature: 143 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 1,500 ft

Cement top: 1,789 ft

BurstMax anticipated surface
pressure:

2,237 psi

Internal gradient: 0.120 psi/ft

Calculated BHP 2,909 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 4,763 ft

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|------------|---------------------------|-------------------------------|-------------------------------|------------------------|----------------------------|----------------------------|---------------------------|-------------------------------|-------------------------------|
| 1 | 5600 | 4.5 | 11.60 | N-80 | LT&C | 5600 | 5600 | 3.875 | 129.8 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 2909 | 6350 | 2.183 | 2909 | 7780 | 2.67 | 55 | 223 | 4.04 J |

Prepared by: Clinton Dworshak
Utah Div. of Oil & MiningPhone: 801-538-5280
FAX: 810-359-3940Date: January 10, 2006
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 5600 ft, a mud weight of 10 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

MEMORANDUM

DATE: January 4, 2006

TO: Utah Division of Oil, Gas and Mining

FROM: Utah Geological Survey, Ground Water and Paleontology Program

SUBJECT: UGS comments on Resource Development Coordinating Committee items
6056-6059, Short Turn-Around Items

CC: Carolyn Wright, Resource Development Coordinating Committee

6056. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 2, T8S, R25E, Uintah County
Application for Permit to Drill - proposal to drill a wildcat well, the East Coyote 3-2-8-25
on State lease ML-47953

Although there are no paleontological localities recorded in our files for this project area, there may be exposures of the Eocene Duchesne River Formation that has the potential for yielding significant vertebrate paleontological localities. The office of the State Paleontologist therefore recommends that a paleontological evaluation be conducted for this project.

6057. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 2, T8S, R25E, Uintah County
Application for Permit to Drill - proposal to drill a wildcat well, the East Coyote 6-2-8-25
on a State lease ML-47953

Although there are no paleontological localities recorded in our files for this project area, there may be exposures of the Eocene Duchesne River Formation that has the potential for yielding significant vertebrate paleontological localities. The office of the State Paleontologist therefore recommends that a paleontological evaluation be conducted for this project.

6058. Division of Oil, Gas and Mining
Short Turn Around Drilling Permit
Sec. 2, T8S, R25E, Uintah County
Application for Permit to Drill - proposal to drill a wildcat well, the East Coyote 8-2-8-25

on State lease ML-47953

Although there are no paleontological localities recorded in our files for this project area, there may be exposures of the Eocene Duchesne River Formation that has the potential for yielding significant vertebrate paleontological localities. The office of the State Paleontologist therefore recommends that a paleontological evaluation be conducted for this project.

6059. Division of Oil, Gas and Mining

Short Turn Around Drilling Permit

Sec. 32, T8S, R25E, Uintah County

Application for Permit to Drill - proposal to drill a wildcat well, the Hacking Reservoir 7-32-8-25 on State lease ML-111247

Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation that is exposed here has the potential for yielding significant vertebrate paleontological localities. The office of the State Paleontologist therefore recommends that a paleontological evaluation be conducted for this project.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

January 12, 2006

Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, TX 77002

Re: Hacking Reservoir 7-32-8-25 Well, 2126' FNL, 2033' FEL, SW NE, Sec. 32,
T. 8 South, R. 25 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-37571.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA
Bureau of Land Management, Vernal District Office

Operator: Houston Exploration Company
Well Name & Number Hacking Reservoir 7-32-8-25
API Number: 43-047-37571
Lease: ML-11124

Location: SW NE **Sec.** 32 **T.** 8 South **R.** 25 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. This proposed well will be located on a lease that was involved in an exchange with the Bureau of Land Management (BLM) in 1983. A court case that was settled in 1999, between the School and Institutional Trust Lands Administration (TLA) and the BLM, followed the exchange. Notification of the application to drill wells on this lease, in accordance with the court settlement, was given to the Vernal office of BLM by letter from TLA and the Division of Oil, Gas and Mining dated December 20, 2005. The operator is responsible for attaining any applicable surface rights-of-way or other permits from the BLM prior to drilling.
7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
8. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

| | | |
|--|--|---|
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-11124 |
| 2. NAME OF OPERATOR: The Houston Exploration Company | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| 3. ADDRESS OF OPERATOR: 1100 Louisiana, Suite 2000 CITY Houston STATE TX ZIP 77002 | | 7. UNIT or CA AGREEMENT NAME: |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2126' FNL & 2033' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 32 8S 25E | | 8. WELL NAME and NUMBER: Hacking Reservoir 7-32-8-25 |
| PHONE NUMBER: (713) 830-6800 | | 9. API NUMBER: 4304737571 |
| STATE: UTAH | | 10. FIELD AND POOL, OR WILDCAT: Undesignated |

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|--|---|--|
| <input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input checked="" type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input type="checkbox"/> OTHER: _____ |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Operator respectfully requests changes to the surface portion of the drilling program as contained in the ten point plan. The operator proposes to change the Casing size to 8 5/8", J-55, 24# with a setting depth of 750' for the surface casing. The requested casing change results in a cement change as follows: Class "G", 300sx 1.2 CF 15.6 PPG.

William A Ryan
290 S 800 E
Vernal, UT 84078
435-789-0968

COPY SENT TO OPERATOR
Date: 12-15-06
Initials: RM

NAME (PLEASE PRINT) William A Ryan TITLE Agent
SIGNATURE *William A Ryan* DATE 12/6/2006

(This space for State use only)

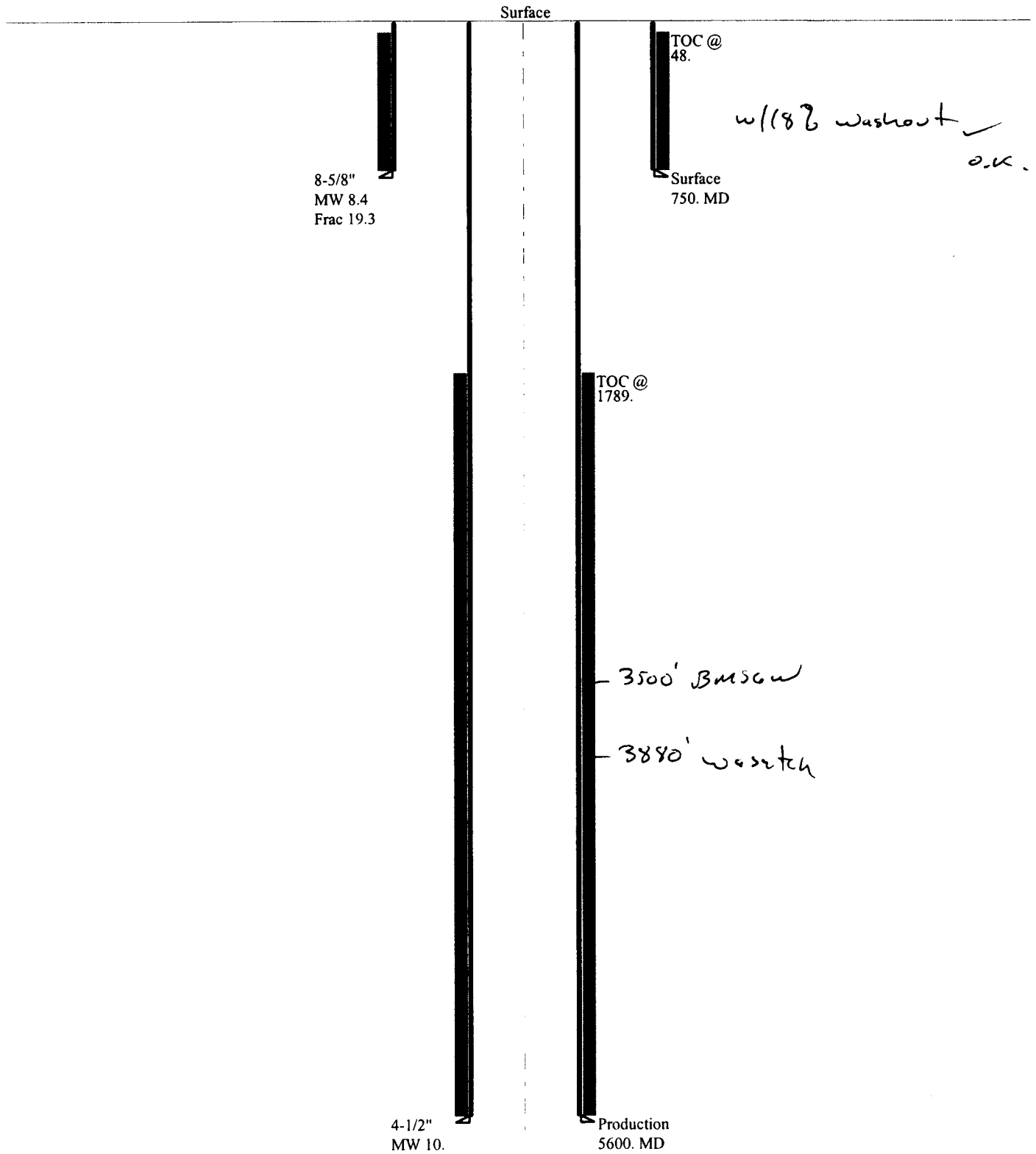
APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 12/14/06
BY: *[Signature]*
(See Instructions on Reverse Side)

RECEIVED
DEC 11 2006

DIV. OF OIL, GAS & MINING

01-06 Houston Hacking Reservoir 7-32-8-25rev.

Casing Schematic



| | | |
|--------------|--|------------------------------------|
| Well name: | 01-06 Houston Hacking Reservoir 7-32-8-25rev. | |
| Operator: | Houston Exploration Company | |
| String type: | Surface | Project ID: 43-047-37571 |
| Location: | Uintah County | |

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 76 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: 48 ft

Burst

Max anticipated surface pressure: 660 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 750 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 655 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 5,600 ft
Next mud weight: 10.000 ppg
Next setting BHP: 2,909 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 750 ft
Injection pressure: 750 psi

| Run Seq | Segment Length (ft) | Size (in) | Nominal Weight (lbs/ft) | Grade | End Finish | True Vert Depth (ft) | Measured Depth (ft) | Drift Diameter (in) | Internal Capacity (ft³) |
|---------|---------------------|-------------------------|-------------------------|------------------|----------------------|----------------------|---------------------|-------------------------|-------------------------|
| 1 | 750 | 8.625 | 24.00 | J-55 | ST&C | 750 | 750 | 7.972 | 268.2 |
| Run Seq | Collapse Load (psi) | Collapse Strength (psi) | Collapse Design Factor | Burst Load (psi) | Burst Strength (psi) | Burst Design Factor | Tension Load (Kips) | Tension Strength (Kips) | Tension Design Factor |
| 1 | 327 | 1370 | 4.186 ✓ | 750 | 2950 | 3.93 ✓ | 16 | 244 | 15.51 J ✓ |

Prepared Dustin K. Doucet
by: Div of Oil, Gas & Minerals

Phone: 801-538-5281
FAX: 810-359-3940

Date: December 14, 2006
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 750 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: THE HOUSTON EXPLORATION COMPANY

Well Name: HACKING RES 7-32-8-25

Api No: 43-047-37571 Lease Type: STATE

Section 32 Township 08S Range 25E County UINTAH

Drilling Contractor _____ RIG # _____

SPUDDED:

Date 12/20/06

Time _____

How DRY

Drilling will Commence: _____

Reported by TREVOR MURRAY

Telephone # (435) 790-0558

Date 12/21/2006 Signed CHD

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

ROUTING

1. DJJ

2. CDW

Change of Operator (Well Sold)

X - Operator Merger

The operator of the well(s) listed below has changed, effective:

6/1/2007

FROM: (Old Operator):

N2525 - The Houston Exploration Company
 1100 Louisiana, Suite 2000
 Houston, TX 77002

Phone: 1-(713) 830-6800

TO: (New Operator):

N6965-Forest Oil Corporation
 707 17th St, Suite 3600
 Denver, CO 80202

Phone: 1 (303) 812-1755

CA No.

Unit:

| WELL NAME | SEC | TWN | RNG | API NO | ENTITY NO | LEASE TYPE | WELL TYPE | WELL STATUS |
|-------------------|-----|-----|-----|--------|-----------|------------|-----------|-------------|
| SEE ATTACHED LIST | | | | | | | | |

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 7/30/2007
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 7/30/2007
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 7/31/2007
- 4a. Is the new operator registered in the State of Utah: Business Number: 571171-0143
- 4b. If **NO**, the operator was contacted on: _____
- 5a. (R649-9-2) Waste Management Plan has been received on: IN PLACE
- 5b. Inspections of LA PA state/fee well sites complete on: _____
- 5c. Reports current for Production/Disposition & Sundries on: YES
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
7. **Federal and Indian Units:**
 The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
8. **Federal and Indian Communization Agreements ("CA"):**
 The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 7/31/2007
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 7/31/2007
- Bond information entered in RBDMS on: 7/31/2007
- Fee/State wells attached to bond in RBDMS on: 7/31/2007
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: pending

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: 6236351
- Indian well(s) covered by Bond Number: n/a
- 3a. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 6218963
- 3b. The **FORMER** operator has requested a release of liability from their bond on: not yet

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 8/1/2007

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

See Attached List

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☐

OTHER ☐

8. WELL NAME and NUMBER:

See Attached List

2. NAME OF OPERATOR:

Forest Oil Corporation

9. API NUMBER:

various

3. ADDRESS OF OPERATOR:

707 17th Street, #3600

CITY Denver,

STATE CO

ZIP 80202

PHONE NUMBER

(303) 812-1755

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL

FOOTAGES AT SURFACE: See attached list

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION | | |
|---|---|---|--|
| <input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ | <input type="checkbox"/> ACIDIZE | <input type="checkbox"/> DEEPEN | <input type="checkbox"/> REPERFORATE CURRENT FORMATION |
| | <input type="checkbox"/> ALTER CASING | <input type="checkbox"/> FRACTURE TREAT | <input type="checkbox"/> SIDETRACK TO REPAIR WELL |
| | <input type="checkbox"/> CASING REPAIR | <input type="checkbox"/> NEW CONSTRUCTION | <input type="checkbox"/> TEMPORARILY ABANDON |
| | <input type="checkbox"/> CHANGE TO PREVIOUS PLANS | <input type="checkbox"/> OPERATOR CHANGE | <input type="checkbox"/> TUBING REPAIR |
| | <input type="checkbox"/> CHANGE TUBING | <input type="checkbox"/> PLUG AND ABANDON | <input type="checkbox"/> VENT OR FLARE |
| <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____ | <input type="checkbox"/> CHANGE WELL NAME | <input type="checkbox"/> PLUG BACK | <input type="checkbox"/> WATER DISPOSAL |
| | <input type="checkbox"/> CHANGE WELL STATUS | <input type="checkbox"/> PRODUCTION (START/RESUME) | <input type="checkbox"/> WATER SHUT-OFF |
| | <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS | <input type="checkbox"/> RECLAMATION OF WELL SITE | <input checked="" type="checkbox"/> OTHER: <u>Change of Operator</u> |
| | <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

N2525


Effective 6/1/2007 please change the operator for the attached list of Utah wells from The Houston Exploration Company N-2525 to Forest Oil Corporation (N-6965). Forest merged with The Houston Exploration Company, a copy of the merger document is attached.. The contract operated wells will continue to be contract operated by Enduring.

Forest Oil Corporation as new operator, accepts all applicable terms, conditions, stipulations and restrictions concerning approved operations conducted on the lease or portion of the lease described.

Forest Oil Corporation meets the State of Utah bonding requirements under Safeco bond #6218963.

Please send all future correspondence to Forest Oil Corporation at the above listed address.

Forest Oil Corporation, 707 17th Street, Suite #3600, Denver, CO 80202


J. C. Ridens, Senior Vice President - Western Region

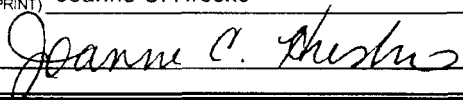
7-5-07

Date

NAME (PLEASE PRINT) Joanne C. Hresko

TITLE Vice President & General Mgr. - Northern Division

SIGNATURE



DATE

7-5-07

(This space for State use only)

APPROVED 7/13/07

Earlene Russell

(5/2000)

Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

No wells in APD status or
at New status
at this time

RECEIVED

JUL 30 2007

DIV OF OIL, GAS & MINING

WMP

| well_name | sec | tpw | rng | api | entity | lease | well | stat | flag | unit | qtr_qtr | l_num | op no |
|-----------------------------|-----|------|------|------------|--------|---------|------|------|------|------|---------|------------|-------|
| FEDERAL 28-01 | 28 | 080S | 250E | 4304730098 | 10095 | Federal | GW | S | | | SESE | UTU-016257 | N2525 |
| CONOCO STATE 32-2 | 32 | 080S | 250E | 4304730100 | 10096 | State | GW | S | | | NENE | ML-11124 | N2525 |
| ROCK HOUSE 11-31 | 31 | 100S | 230E | 4304733312 | 13984 | Federal | GW | P | | | NESW | UTU-76281 | N2525 |
| BONANZA 4B-12 | 12 | 090S | 230E | 4304733806 | 14593 | Federal | D | PA | | | NWNW | UTU-74426 | N2525 |
| WALKER HOLLOW 13-31 | 31 | 060S | 230E | 4304735039 | | Federal | GW | LA | | | SESW | UTU-76280 | N2525 |
| ROCK HOUSE 6D-32 | 32 | 100S | 230E | 4304735409 | 14293 | State | GW | S | | | SESW | ML-47063 | N2525 |
| BONANZA 2B-16 | 16 | 090S | 240E | 4304735694 | 14186 | State | D | PA | | | NWNE | ML-46526 | N2525 |
| ROCK HOUSE 2D-36 | 36 | 100S | 220E | 4304735759 | 14357 | State | GW | P | | | NWNE | ML-47061 | N2525 |
| ROCK HOUSE 2D-32 | 32 | 100S | 230E | 4304735760 | 14317 | State | GW | S | | | NWNE | ML-47063 | N2525 |
| ROCK HOUSE 10D-32 | 32 | 100S | 230E | 4304735761 | 14318 | State | GW | S | | | NWSE | ML-47063 | N2525 |
| ROCK HOUSE 12D-32 | 32 | 100S | 230E | 4304735762 | 14294 | State | GW | P | | | NWSW | ML-47063 | N2525 |
| ROCK HOUSE 11-36 | 36 | 100S | 220E | 4304735900 | 14478 | State | GW | P | | | NESW | ML-46907 | N2525 |
| ROCK HOUSE 4-36 | 36 | 100S | 220E | 4304735901 | 14449 | State | GW | S | | | NWNW | ML42061 | N2525 |
| BONANZA 12A-22 | 22 | 090S | 240E | 4304735922 | 14520 | Federal | D | PA | | | NWSW | UTU-78118 | N2525 |
| BONANZA 14-16 | 16 | 090S | 240E | 4304735941 | 14521 | State | D | PA | | | SESW | ML-46526 | N2525 |
| ROCK HOUSE 11-2 | 02 | 110S | 230E | 4304736153 | 14695 | State | GW | P | C | | NESW | ML-47078 | N2525 |
| ROCK HOUSE 7-32-10-23 | 32 | 100S | 230E | 4304736306 | 14766 | State | GW | S | | | SWNE | ML-47063 | N2525 |
| ROCK HOUSE 3-32-10-23 | 32 | 100S | 230E | 4304736307 | 14781 | State | GW | P | | | NENW | ML-47063 | N2525 |
| ROCK HOUSE 5-32-10-23 | 32 | 100S | 230E | 4304736410 | 14727 | State | GW | S | | | SWNW | ML-47063 | N2525 |
| GUSHER 6-2 | 02 | 060S | 190E | 4304736963 | | State | OW | LA | | | SESW | ML-49144 | N2525 |
| N HORSESHOE 3-16-6-21 | 16 | 060S | 210E | 4304737391 | 15716 | State | GW | DRL | C | | NENW | ML-49317 | N2525 |
| N HORSESHOE 12-7-6-22 | 07 | 060S | 220E | 4304737392 | | State | GW | LA | | | NWSW | ML-47969 | N2525 |
| N HORSESHOE 16-9-6-22 | 09 | 060S | 220E | 4304737393 | | State | GW | LA | | | SESE | ML-47969 | N2525 |
| N HORSESHOE 14-10-6-22 | 10 | 060S | 220E | 4304737394 | | State | GW | LA | | | SESW | ML-47969 | N2525 |
| N HORSESHOE 2-15-6-22 | 15 | 060S | 220E | 4304737395 | | State | GW | LA | | | NWNE | ML-47969 | N2525 |
| N HORSESHOE 4-15-6-22 | 15 | 060S | 220E | 4304737396 | | State | GW | LA | | | NWNW | ML-47969 | N2525 |
| N WALKER HOLLOW 12-32-6-23 | 32 | 060S | 230E | 4304737397 | | State | GW | LA | | | NWSW | ML-47777 | N2525 |
| N WALKER HOLLOW 16-32-6-23 | 32 | 060S | 230E | 4304737398 | | State | GW | LA | | | SESE | ML-47777 | N2525 |
| N WALKER HOLLOW 2-32-6-23 | 32 | 060S | 230E | 4304737399 | 15741 | State | GW | DRL | C | | NWNE | ML-47777 | N2525 |
| N WALKER HOLLOW 10-32-6-23 | 32 | 060S | 230E | 4304737400 | | State | GW | LA | | | NWSE | ML-47777 | N2525 |
| N WALKER HOLLOW 8-32-6-23 | 32 | 060S | 230E | 4304737401 | | State | GW | LA | | | SENE | ML-47777 | N2525 |
| N WALKER HOLLOW 11-36-6-23 | 36 | 060S | 230E | 4304737462 | | State | GW | LA | | | NESW | ML-47970 | N2525 |
| N WALKER HOLLOW 13-36-6-23 | 36 | 060S | 230E | 4304737463 | | State | GW | LA | | | SWSW | ML-47970 | N2525 |
| N WALKER HOLLOW 15-36-6-23 | 36 | 060S | 230E | 4304737464 | | State | GW | LA | | | SWSE | ML-47970 | N2525 |
| N WALKER HOLLOW 14-32-6-23 | 32 | 060S | 230E | 4304737478 | | State | GW | LA | | | SESW | ML-47777 | N2525 |
| HACKING RES 11-32-8-25 | 32 | 080S | 250E | 4304737479 | | State | GW | LA | | | NESW | ML-11124 | N2525 |
| HACKING RES 3-32-8-25 | 32 | 080S | 250E | 4304737480 | | State | GW | LA | | | NENW | ML-11124 | N2525 |
| HACKING RES 5-32-8-25 | 32 | 080S | 250E | 4304737481 | | State | GW | LA | | | SWNW | ML-11124 | N2525 |
| HACKING RES 15-32-8-25 | 32 | 080S | 250E | 4304737482 | | State | GW | LA | | | SWSE | ML-11124 | N2525 |
| HACKING RES 9-32-8-25 | 32 | 080S | 250E | 4304737483 | | State | GW | LA | | | NESE | ML-11124 | N2525 |
| HACKING RESERVOIR 7-32-8-25 | 32 | 080S | 250E | 4304737571 | 15885 | State | GW | DRL | C | | SWNE | ML-11124 | N2525 |

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

AMENDED REPORT ☐
(highlight changes)

FORM 8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

| | | |
|--|--|--|
| 1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> DRY <input checked="" type="checkbox"/> OTHER _____ | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-11124 |
| b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____ | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME |
| 2. NAME OF OPERATOR: Forest Oil Corporation | | 7. UNIT or CA AGREEMENT NAME |
| 3. ADDRESS OF OPERATOR: 707 17th Street, #3600 CITY Denver STATE CO ZIP 80202 | | 8. WELL NAME and NUMBER: Hacking Reservoir 7-32-8-25 |
| 4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2126' FNL & 2033' FEL AT TOP PRODUCING INTERVAL REPORTED BELOW: AT TOTAL DEPTH: 2126' FNL & 2033' FEL | | 9. API NUMBER: 4304737571 |
| PHONE NUMBER: (303) 812-1755 | | 10 FIELD AND POOL, OR WILDCAT Undesignated |
| 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 32 8S 25E | | 12. COUNTY Uintah |
| | | 13. STATE UTAH |

| | | | | |
|--|--|--|---|---|
| 14. DATE SPURRED: 12/13/2006 | 15. DATE T.D. REACHED: 2/14/2007 | 16. DATE COMPLETED: 2/18/2007 | ABANDONED <input checked="" type="checkbox"/> READY TO PRODUCE <input type="checkbox"/> | 17. ELEVATIONS (DF, RKB, RT, GL): 5455 KB |
| 18. TOTAL DEPTH: MD 6,608 TVD 6,608 | 19. PLUG BACK T.D.: MD TVD | 20. IF MULTIPLE COMPLETIONS, HOW MANY? * | | 21. DEPTH BRIDGE MD PLUG SET: TVD |
| 22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) Triple Combo | | | 23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy) | |

24. CASING AND LINER RECORD (Report all strings set in well)

| HOLE SIZE | SIZE/GRADE | WEIGHT (#/ft.) | TOP (MD) | BOTTOM (MD) | STAGE CEMENTER DEPTH | CEMENT TYPE & NO. OF SACKS | SLURRY VOLUME (BBL) | CEMENT TOP ** | AMOUNT PULLED |
|-----------|------------|----------------|----------|-------------|----------------------|----------------------------|---------------------|---------------|---------------|
| 18 | 14 A252 | 36.75 | 0 | 60 | | 5 yds | | Surf CIR | |
| 11 | 8-5/8 J55 | 24 | 0 | 780 | | 410 "A" | 86 | Surf CIR | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

25. TUBING RECORD

| SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
|------|----------------|-----------------|------|----------------|-----------------|------|----------------|-----------------|
| | | | | | | | | |

26. PRODUCING INTERVALS

| FORMATION NAME | TOP (MD) | BOTTOM (MD) | TOP (TVD) | BOTTOM (TVD) | INTERVAL (Top/Bot - MD) | SIZE | NO. HOLES | PERFORATION STATUS |
|----------------|----------|-------------|-----------|--------------|-------------------------|------|-----------|---|
| (A) | | | | | | | | Open <input type="checkbox"/> Squeezed <input type="checkbox"/> |
| (B) | | | | | | | | Open <input type="checkbox"/> Squeezed <input type="checkbox"/> |
| (C) | | | | | | | | Open <input type="checkbox"/> Squeezed <input type="checkbox"/> |
| (D) | | | | | | | | Open <input type="checkbox"/> Squeezed <input type="checkbox"/> |

27. PERFORATION RECORD

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

| DEPTH INTERVAL | AMOUNT AND TYPE OF MATERIAL |
|----------------|-----------------------------|
| | |
| | |
| | |

29. ENCLOSED ATTACHMENTS:

- | | | | |
|--|--|---------------------------------------|---|
| <input checked="" type="checkbox"/> ELECTRICAL/MECHANICAL LOGS | <input type="checkbox"/> GEOLOGIC REPORT | <input type="checkbox"/> DST REPORT | <input type="checkbox"/> DIRECTIONAL SURVEY |
| <input checked="" type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION | <input type="checkbox"/> CORE ANALYSIS | <input type="checkbox"/> OTHER: _____ | |

30. WELL STATUS:

PA

RECEIVED

AUG 13 2007

DIV. OF OIL, GAS & MINING

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

| | | | | | | | |
|----------------------|-------------|---------------|--------------------------|------------|---------------|---------------------------|------------------|
| DATE FIRST PRODUCED: | TEST DATE: | HOURS TESTED: | TEST PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | INTERVAL STATUS: |

INTERVAL B (As shown in item #26)

| | | | | | | | |
|----------------------|-------------|---------------|--------------------------|------------|---------------|---------------------------|------------------|
| DATE FIRST PRODUCED: | TEST DATE: | HOURS TESTED: | TEST PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | INTERVAL STATUS: |

INTERVAL C (As shown in item #26)

| | | | | | | | |
|----------------------|-------------|---------------|--------------------------|------------|---------------|---------------------------|------------------|
| DATE FIRST PRODUCED: | TEST DATE: | HOURS TESTED: | TEST PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | INTERVAL STATUS: |

INTERVAL D (As shown in item #26)

| | | | | | | | |
|----------------------|-------------|---------------|--------------------------|------------|---------------|---------------------------|------------------|
| DATE FIRST PRODUCED: | TEST DATE: | HOURS TESTED: | TEST PRODUCTION RATES: → | OIL – BBL: | GAS – MCF: | WATER – BBL: | PROD. METHOD: |
| CHOKE SIZE: | TBG. PRESS. | CSG. PRESS. | API GRAVITY | BTU – GAS | GAS/OIL RATIO | 24 HR PRODUCTION RATES: → | INTERVAL STATUS: |

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

| Formation | Top (MD) | Bottom (MD) | Descriptions, Contents, etc. | Name | Top (Measured Depth) |
|-----------|----------|-------------|------------------------------|---|--------------------------------|
| | 1,355 | 1,402 | Lost full returns | Green River Uteland Butte Limestone Wasatch Mesa Verde | 200 3,236 3,326 4,773 |

35. ADDITIONAL REMARKS (Include plugging procedure)

Plug #1 85 sx "G" neat, 98 cuft, 4685'-4485' across Mesa Verde, tagged @ 4422'; Plug #2 80 sx "G", 92 cuft, 3075'-2898', tagged 2898'; Plug #3 65 sx "G", 74.75 cuft, 896'-696', tagged 685'; Plug #4 65 sx "G", 74.75 cuft, 96' to surface.

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Tami HofmannTITLE Regulatory Specialist

SIGNATURE

DATE 8/9/2007

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

| | | |
|---|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS <small>Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.</small> | | 5. LEASE DESIGNATION AND SERIAL NUMBER: ML-11124 |
| 1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Dry Hole</u> | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: |
| 2. NAME OF OPERATOR: Forest Oil Corporation | | 8. WELL NAME and NUMBER: Hacking Reservoir 7-32-8-25 |
| 3. ADDRESS OF OPERATOR: 707 17th St, #3600 CITY <u>Denver</u> STATE <u>CO</u> ZIP <u>80202</u> | | 9. API NUMBER: 4304737571 |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2126' FNL & 2033' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 32 8S 25E | | 10. FIELD AND POOL, OR WILDCAT: Wildcat COUNTY: Uintah STATE: UTAH |

| 11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA | | | |
|---|---|---|--|
| TYPE OF SUBMISSION | TYPE OF ACTION | | |
| <input type="checkbox"/> NOTICE OF INTENT <small>(Submit in Duplicate)</small> Approximate date work will start: <input checked="" type="checkbox"/> SUBSEQUENT REPORT <small>(Submit Original Form Only)</small> Date of work completion: <u>2/18/2007</u> | <input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE | <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION | <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____ |

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This well was drilled as a dry hole to 6608 TD on 2/14/2007. Verbal approval to plug by Dustin Doucet on 2/15/2007.

2/16/07 Plug #1-4685'-4485' across Mesa Verde, 85 sx "G" neat, 98 cuft, tagged @ 4422'

2/17/07 Plug #2-3075'-2898', 80 sx "G", 92 cuft, tagged @ 2898'

Plug #3-896'-696', 65 sx "G", 74.75 cuft, tagged @ 685'

2/18/07 Plug #4-96'-surface, 65 sx "G", 74.75 cuft.

Rig was released.

RECEIVED
AUG 13 2007

DIV. OF OIL, GAS & MINING

| | |
|---|------------------------------------|
| NAME (PLEASE PRINT) <u>Tami Hofmann</u> | TITLE <u>Regulatory Specialist</u> |
| SIGNATURE <u>Tami Hofmann</u> | DATE <u>8/9/2007</u> |

(This space for State use only)



The Houston Exploration Company
Daily Drilling Report

Report Date: 2/28/2007

AFE#: 05-6558

Cost Type:

CONFIDENTIAL

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 49.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 6,608.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): 18.38

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

2/18/2007 06:00 - 2/28/2007 06:00

Operations at Report Time

Rig Costs

Remarks

24hr Forecast

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| | 805,941 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|--|------------------------|--|----------------|--|------------|-------------------|--------------------|--|--------------------|--|------------------|--|--------------------|--|---------------------|--|--|
| Mud Type | MW (lb/gal) | | FV (s/qt) | | PV Override (cp) | | YP (lb/100ft*) | | pH | | Gel(10sec) (lb/... | | Gel(10min) (lb/... | | WL (mL/30min) | | HTHP (mL/30min) | | LCM | | |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | | W (%) | | Sd (%) | | Chl (mg/L) | | MBT (lb/bbl) | | Sol (%) | | Calcium (mg/L) | | Mud Lost (Hole)... | | Mud Lost (Surf) ... | | |
| Avg Background Gas (%) | | | | | Avg Connection Gas (%) | | | | | Avg Drill Gas (%) | | | | | Avg Trip Gas (%) | | | | | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (... Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------------------|-----------------|------------------|
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| 5,472.00 | 4.20 | 130.20 | | | | | |
| 5,722.00 | 3.80 | 128.40 | | | | | |
| 6,015.00 | 3.80 | 131.30 | | | | | |
| 6,206.00 | 3.30 | 120.00 | | | | | |
| 6,528.00 | 4.00 | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 2/18/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 48.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 6,608.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): 8.38

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A--- | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

2/17/2007 06:00 - 2/18/2007 06:00

Operations at Report Time

24hr Forecast

RIG RELEASED @ 10AM 2/18/07

Remarks

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|--|--|
| 06:00 | 2.00 | 36 | Lay Down Drill Pipe/Bottom Hole Assembly | LAYED DOWN 51JTS DP |
| 08:00 | 1.00 | 08 | Tripping In | TRIP 7 STDS DP IN THE HOLE TO 3075' |
| 09:00 | 0.75 | 39 | Other | PUMPED SECOND PLUG F/ 3075' T/ 2898' -80 sx-16.5bbls (92cu/ftCLASS G W/ 2% SALT -WT=15.8 -YLD =1.15 cu/ft MIX=5 gal/sk |
| 09:45 | 0.25 | 09 | Tripping Out | TOOH W/ 5 STDS DP |
| 10:00 | 4.78 | 07 | Condition and/or Circulate mud | CIRC - WAITING ON CEMENT PLUG TO SET |
| 14:46 | 0.50 | 08 | Tripping In | TRIP 2 STDS DP + 7 FT IN ON SINGLE - TAGGED PLUG @ 2898' |
| 15:16 | 0.50 | 10 | Lubricate Rig | SERVICE RIG |
| 15:46 | 2.25 | 36 | Lay Down Drill Pipe/Bottom Hole Assembly | LAYED DOWN 69 JTS DP T/ 3075' |
| 18:01 | 0.50 | 08 | Tripping In | TIH W/ 9 STDS & SINGLE OF DP T/ 896' |
| 18:31 | 1.50 | 39 | Other | PUMP IN/OUT PLUG F/ 896' T/ 696' -65 sx-74.75 cu/ft CLASS G+3% SALT(7.25bbls)-WT=15.8ppg -YLD=1.15cu/sk -MIX =5gal/sk |
| 20:01 | 4.00 | 07 | Condition and/or Circulate mud | CIRC OUT EXCESS CEMENT - WAITING ON CEMENT |
| 00:01 | 1.50 | 08 | Tripping In | TIH W/ 3 STDS & SINGLE OF DP T/ 896' -TAG CEMENT @ 685' |
| 01:31 | 0.50 | 36 | Lay Down Drill Pipe/Bottom Hole Assembly | LAY DOWN 8 STDS DP T/ 96' |
| 02:01 | 0.50 | 01 | Rig Up & Tear Down | RIG DOWN FRANK'S LAY DOWN MACHINE |
| 02:31 | 0.50 | 08 | Tripping In | TIH W/ 1 STD DP TO 96' |
| 03:01 | 0.50 | 39 | Other | PUMP TOP PLUG F/ 96' T/ SURFACE" -65 sx-74.75 cu/ft CLASS G+3% SALT(7.25bbls)-WT=15.8ppg -YLD=1.15cu/sk - MIX WATER = 5 gal/sk |
| 03:31 | 2.50 | 36 | Lay Down Drill Pipe/Bottom Hole Assembly | LAY DOWN 3 JTS DP IN V DOOR - WAIT ON CEMENT - START RIGGING DOWN -DUMP & CLEAN PITS |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 61,180 | 805,941 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|---------|-----------|------------------------|----------------|------------|---------------------|---------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/ft²) | Gel(10min) (lb/ft²) | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | PF (mL) | Pm (mL) | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 2/17/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 47.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 6,608.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): 7.38

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

2/16/2007 06:00 - 2/17/2007 06:00

Operations at Report Time

TAGGING BOTTOM PLUG

24hr Forecast

Remarks

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|--|--|
| 06:00 | 2.50 | 39 | Other | WAITING ON ORDERS |
| 08:30 | 0.75 | 08 | Tripping In | TIH W/ BHA & 8 STDS DP |
| 09:15 | 3.75 | 39 | Other | WAITING ON FRANK'S - MIRU LAYDOWN MACHINE |
| 13:00 | 2.75 | 36 | Lay Down Drill Pipe/Bottom Hole Assembly | LAYING DOWN DP & BHA |
| 15:45 | 2.25 | 08 | Tripping In | TIH W/ DP OPEN ENDED TO 4710' - BOTTOM PLUG 200' ACROSS MESA VERDE F/ 4685' T/ 4485' |
| 18:00 | 3.50 | 07 | Condition and/or Circulate mud | CIRC & CONDITION - WAITING ON BJ & REBUILDING VOLUME - |
| 21:30 | 1.50 | 39 | Other | PUMP BOTTOM PLUG - 85sx "G" NEAT @ 15.8ppg - 1.15yld - 5.0 gal/sk mix - 98cu/ft - PULLED 5 STDS DP |
| 23:00 | 6.00 | 07 | Condition and/or Circulate mud | CIRC & CONDITION - WAITING ON CEMENT |
| 05:00 | 0.50 | 08 | Tripping In | SET BACK KELLY -TIH TO TAG BOTTOM PLUG - TAGGED PLUG @ 4422' |
| 05:30 | 0.50 | 36 | Lay Down Drill Pipe/Bottom Hole Assembly | LAYING DOWN 51 JTS DP TO 3074' |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 33,042 | 744,761 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|--------------------|--------------------|---------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/ft) | Gel(10min) (lb/ft) | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Filter Cake (/32") | Pf (mL) | Pm (mL) | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|---------|-----------|---------|--------|-----------------|------------------|---------------|----------------|---------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |

| Depth End (ftKB) | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) |
|------------------|-----------|-------------------------|-----------|-----------------|-----------------|-----------------|------------------|
| | | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 2/16/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 46.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 6,608.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): 6.38

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

2/15/2007 06:00 - 2/16/2007 06:00

Operations at Report Time

24hr Forecast

WOO

Remarks

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|--------------------------------|--|
| 06:00 | 1.00 | 33 | Short Trip In | SHORT TRIPPED 15 STDs = 1440' - 2/5K DRAG - WENT BACK TO BOTTOM TO CHECK FOR FILL -- NO FILL |
| 07:00 | 2.00 | 07 | Condition and/or Circulate mud | PUMP SWEEP - CIRC. & CONDITION MUD & HOLE FOR LOGS |
| 09:00 | 0.50 | 10 | Lubricate Rig | SERVICE RIG |
| 09:30 | 4.00 | 07 | Condition and/or Circulate mud | CIRC. - CONDITION MUD FOR LOGS - RAISE VISC TO 55 |
| 13:30 | 5.50 | 09 | Tripping Out | TOOH FOR LOGS - DROPPED TOTCO - L/D MOTOR & IBS's |
| 19:00 | 7.00 | 14 | Wireline Logs | MIRU BAKER /ATLAS - HELD SAFETY MEETING - RAN TRIPLE COMBO |
| 02:00 | 4.00 | 39 | Other | WAITING ON ORDERS FROM HOUSTON |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 60,963 | 711,719 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|-----------------------|----------------------|---------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/ft...) | Gel(10min) (lb/ft... | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Inhibited Water Base | 9.70 | 46 | 15.0 | 14.000 | 9.0 | 4.000 | 11.000 | 6.0 | | | |
| Filter Cake (7/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Soil (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| | | | 0.0 | 91.0 | 0.2 | 500 | | 9.0 | | | |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-------------------------|-----------|-----------------|------------------|-----------------|------------------|---------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | | |
| 6,608 | 146.0 | 14 | 111 | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| 5,472.00 | 4.20 | 130.20 | | | | | |
| 5,722.00 | 3.80 | 128.40 | | | | | |
| 6,015.00 | 3.80 | 131.30 | | | | | |
| 6,206.00 | 3.30 | 120.00 | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 2/15/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs): 18.50

Report Number: 45.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 6,608.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 591.00

Average ROP (ft/hr): 31.9

Days From Spud (days): 5.38

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

2/14/2007 06:00 - 2/15/2007 06:00

Operations at Report Time

24hr Forecast

Drld to 6608' TD, Making Short Trip

Remarks

NOTE: TD THE HACKING RESEVIOR 7-32-8-25 AT 01:57AM 02/15/2007 - TD DEPTH =6608'

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|--------------------------------|--|
| 06:00 | 2.50 | 02 | Drilling | DRLG NEW FORM F/ 6017' T/ 6095' -78'@31.2ft/hr -WOB=10/14K -RPM=35/45t+69m=104/114 -SPM=146 -GPM=432 -PP=1900psi |
| 08:30 | 0.50 | 13 | Deviation Survey | SURVEY @ 6015' = 3.8 DEGREES INCLINATION - AZIMUTH = 131.3 DEGREES TRUE NORTH |
| 09:00 | 3.50 | 02 | Drilling | DRLG NEW FORM F/ 6095' T/ 6191' -96'@27.4ft/hr -WOB=10/14K -RPM=35/45t+69m=104/114 -SPM=146 -GPM=432 -PP=1900psi |
| 12:30 | 0.50 | 10 | Lubricate Rig | SERVICE RIG |
| 13:00 | 3.25 | 02 | Drilling | DRLG NEW FORM F/ 6191' T/ 6286'=95'@29.2ft/hr -WOB=10/14K -RPM=30/40t+66m=96/106 -SPM=140 -GPM=414 -PP=1850psi |
| 16:15 | 0.50 | 13 | Deviation Survey | SURVEY @ 6206' = 3.3 DEGREES INCLINATION - AZIMUTH = 120.0 DEGREES TRUE NORTH |
| 16:45 | 9.25 | 02 | Drilling | DRLG NEW FORM F/ 6286' T/ 6608'=322'@34.8 ft/hr -WOB=14K -RPM=35/45t+66m=101/111 -SPM=140 -GPM=414 -PP=1850psi |
| 02:00 | 2.00 | 07 | Condition and/or Circulate mud | CIRCULATE & CONDITION MUD& HOLE FOR SHORT TRIP |
| 04:00 | 2.00 | 33 | Short Trip In | SHORT TRIP 40 STDS TO 2768' |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 66,846 | 650,756 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|---------------------|---------------------|---------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft³) | pH | Gel(10sec) (lb/ft³) | Gel(10min) (lb/ft³) | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Inhibited | 9.70 | 42 | 14.0 | 12.000 | 9.0 | 4.000 | 10.000 | 5.0 | | | |
| Water Base | | | | | | | | | | | |
| Filter Cake (/32") | Pf (mL...) | Pm (m...) | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| | | | 0.0 | 91.0 | 0.3 | 500 | | 9.0 | | | |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 6,608 | | 146.0 | 14 | 111 | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 2/14/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs): 22.00

Report Number: 44.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 6,017.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 1,075.00

Average ROP (ft/hr): 48.9

Days From Spud (days): 4.38

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

2/13/2007 06:00 - 2/14/2007 06:00

Operations at Report Time

Drilling @ 6017', 48.8 fph

Remarks

24hr Forecast

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|------------------|--|
| 06:00 | 4.00 | 02 | Drilling | DRLG NEW FORM F/ 4942' T/ 5103' = 161' @ 26.8 ft/hr - WOB=10/18K - RPM=35/50t+66m=101/116 - SPM=141 - GPM=418 - PP=1850psi |
| 10:00 | 0.50 | 10 | Lubricate Rig | SERVICE RIG |
| 10:30 | 6.50 | 02 | Drilling | DRLG NEW FORM F/ 5103' T/ 5552' = 449' @ 69.1 ft/hr - WOB=10/18K - RPM=35/45t+66m=101/111 - SPM=141 - GPM=418 - PP=1850psi |
| 17:00 | 0.50 | 13 | Deviation Survey | SURVEY @ 5472' = 4.2 DEG INCLINATION - AZIMUTH = 130.2 DEGREES TRUE NORTH |
| 17:30 | 5.50 | 02 | Drilling | DRLG NEW FORM F/ 5552' T/ 5806' = 254' @ 46.2 ft/hr - WOB=8/10K - RPM=35/45t+66m=101/111 - SPM=141 - GPM=418 - PP=1900psi |
| 23:00 | 1.00 | 13 | Deviation Survey | SURVEY @ 5722' = 3.8 DEG INCLINATION - AZIMUTH = 128.4 DEGREES TRUE NORTH |
| 00:00 | 6.00 | 02 | Drilling | DRLG NEW FORM F 5806' T/ 6017' = 211' @ 35.2 ft/hr - WOB=8/12K - RPM=35/45t+66m=101/111 - SPM=141 - GPM=418 - PP=1900psi |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 53,316 | 583,910 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|---------------------|---------------------|---------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/ft²) | Gel(10min) (lb/ft²) | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Inhibited Water Base | 9.50 | 41 | 14.0 | 11.000 | 8.7 | 3.000 | 10.000 | 6.1 | | | |
| Filter Cake (7/32") | Pf (mL) | Pm (mL) | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| | | | 0.0 | 92.0 | 0.3 | 500 | | 8.0 | | | |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |
| | | | | | | | | | | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP ... | Nozzles (3/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 6,017 | | 144.0 | 12 | 111 | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| 3,581.00 | 2.00 | 127.00 | | | | | |
| 4,093.00 | 2.00 | 127.20 | | | | | |
| 4,620.00 | 2.00 | 127.20 | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 2/13/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs): 22.00

Report Number: 43.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 4,942.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 1,102.00

Average ROP (ft/hr): 50.1

Days From Spud (days): 3.38

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

2/12/2007 06:00 - 2/13/2007 06:00

Operations at Report Time

24hr Forecast

Drilling @ 4942', 42.8 fph

Remarks

NOTE: LOGGERS PICKED TOP OF MESA VERDE AT 4685'

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|------------------|---|
| 06:00 | 3.00 | 02 | Drilling | DRLG NEW FORM F/ 3840'-T/4043'-203'@67.7ft/hr -WOB=6/12K -RPM=30/40t+75m=105/115 -SPM=160 -GPM=473 -PP=1950psi |
| 09:00 | 0.50 | 10 | Lubricate Rig | SERVICE RIG |
| 09:30 | 4.00 | 02 | Drilling | DRLG NEW FORM F/ 4043'T/ 4173'-130'@32.5ft/hr -WOB=6/12K -RPM=30/40t+75m=105/115 -SPM=160 -GPM=473 -PP=1950psi |
| 13:30 | 0.50 | 13 | Deviation Survey | SURVEY @4093' = 2.0 DEGREES INCLINATION - AZIMUYH = 127.2 DEGREES TRUE NORTH |
| 14:00 | 9.00 | 02 | Drilling | DRLG NEW FORM F/ 4173' T/ 4685'512"@56.8ft/hr -WOB=6/12K -RPM=30/40t+75m=105/115 -SPM=160 -GPM=473 -PP=1950psi |
| 23:00 | 1.00 | 13 | Deviation Survey | SURVEY @4620' = 2.0 DEGREES INCLINATION - AZIMUYH = 127.2 DEGREES TRUE NORTH |
| 00:00 | 6.00 | 02 | Drilling | DRLG NEW FORM F/ 4685' T/4942'-257' @ 42.8ft/hr - WOB= 8/12K -RPM =35/45t+72m=107/117 -SPM=152 -GPM=450 -PP=1950psi |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 48,848 | 530,594 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|--------------------|--------------------|---------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Inhibited Water Base | 9.10 | 45 | 14.0 | 13.000 | 8.8 | 4.000 | 9.000 | 6.5 | | | |
| Filter Cake (732") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| | | | | 95.0 | 0.2 | 500 | | 5.5 | | | |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |
| | | | | | | | | | | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|---------------|------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 Air | | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 Hycalog | | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 4,942 | | 186.0 | 12 | 117 | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| 3,260.00 | 2.10 | 127.40 | | | | | |
| 3,581.00 | 2.00 | 127.20 | | | | | |
| 3,581.00 | 2.00 | 127.00 | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 2/12/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs): 22.00

Report Number: 42.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 3,840.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 1,150.00

Average ROP (ft/hr): 52.3

Days From Spud (days): 2.38

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

2/11/2007 06:00 - 2/12/2007 06:00

Operations at Report Time

Drilling @ 3840', 71.6 fph

Remarks

NOTE: TOP OF WASATCH PICKED AAT 2940'

24hr Forecast

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|------------------|--|
| 06:00 | 6.50 | 02 | Drilling | DRLG NEW FORM F/ 2690' T/3020'-330'@50.7ft/hr-WOB=6/10K -RPM=45/55t+56m=101/111-SPM=120-GPM=355-PP=1145psi |
| 12:30 | 0.50 | 13 | Deviation Survey | SURVEY @ 2937' = 2.5 DEGREES INCLINATION - AZIMUTH = 131.2 DEGREES TRUE NORTH |
| 13:00 | 0.50 | 02 | Drilling | DRLG NEW FORM F/3020' T/ 3084'-64'@ 128ft/hr-WOB=6/10K -RPM=55t+56m=111-SPM=120-GPM=355-PP=1145psi |
| 13:30 | 0.50 | 10 | Lubricate Rig | SERVICE RIG |
| 14:00 | 5.50 | 02 | Drilling | DRLG NEW FORM F/3020' T/3340'-320'@ 58.2ft/hr-WOB=6/10K -RPM=45/55t+56m=101/111-SPM=120-GPM=355-PP=1145psi |
| 19:30 | 0.50 | 13 | Deviation Survey | SURVEY @ 3260' = 2.1 DEGREES INCLINATION - AZIMUTH = 127.4 DEGREES TRUE NORTH |
| 20:00 | 7.00 | 02 | Drilling | DRLG NEW FORM F/ 3340 T/-3661'@321ft/hr-WOB=6/10K -RPM=45/55t+80m=125/135-SPM=169-GPM=511-PP=1720psi |
| 03:00 | 0.50 | 13 | Deviation Survey | SURVEY @ 35811 = 2.0 DEGREES INCLINATION - AZIMUTH= 127.2 DEGREES TRUE NORTH |
| 03:30 | 2.50 | 02 | Drilling | DRLG NEW FORM F/ 3661' T/ 3840' =179'@ 71.6ft/hr - WOB = 6/12K - RPM=45t+75m=120 -SPM=162 - GPM=480 -PP=1725psi |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 23,163 | 481,746 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | | | | | | | | | | | |
|------------------------|-------------|---------|-----------|--|------------------------|--|----------------|--|------------|-------------------|---------------------|--|---------------------|--|------------------|--|--------------------|--|---------------------|--|--|
| Mud Type | MW (lb/gal) | | FV (s/qt) | | PV Override (cp) | | YP (lb/100ft²) | | pH | | Gel(10sec) (lb/ft²) | | Gel(10min) (lb/ft²) | | WL (mL/30min) | | HTHP (mL/30min) | | LCM | | |
| Inhibited | 8.60 | | 33 | | 12.0 | | 6.000 | | 9.0 | | 2.000 | | 4.000 | | 40.0 | | | | | | |
| Water Base | | | | | | | | | | | | | | | | | | | | | |
| Filter Cake (/32") | Pf (mL) | Pm (mL) | O (%) | | W (%) | | Sd (%) | | Chl (mg/L) | | MBT (lb/bbl) | | Sol (%) | | Calcium (mg/L) | | Mud Lost (Hole)... | | Mud Lost (Surf) ... | | |
| | | | | | 98.0 | | 0.2 | | 500 | | | | 2.0 | | | | | | | | |
| Avg Background Gas (%) | | | | | Avg Connection Gas (%) | | | | | Avg Drill Gas (%) | | | | | Avg Trip Gas (%) | | | | | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|---------------|-----------------|-----------------|------------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| | | | | | | | | | |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) |
| 3,840 | | 188.0 | 10 | 162 | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 2/11/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs): 19.50

Report Number: 41.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 2,690.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 1,415.00

Average ROP (ft/hr): 72.6

Days From Spud (days): 1.38

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

2/10/2007 06:00 - 2/11/2007 06:00

Operations at Report Time

Drilling @ 2690', 60.4 fph

Remarks

NOTE: TOP OF GARDEN GULTCH @ 2040' START MUD UP @ 2500'

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|------------------|---|
| 06:00 | 1.50 | 02 | Drilling | DRLG NEW FORM F/ 1275' T/ 1355' - 80' @ 53.3ft/hr - WOB=8/14K - RPM=50t+56m=106 - SPM=120 -GPM=355 - PP=750psi |
| 07:30 | 0.50 | 13 | Deviation Survey | SURVEY @ 1276' = 1.6 DEGREES INCLINATION - AZIMUTH = 125.2 DEGREES TRUE NORTH |
| 08:00 | 1.00 | 02 | Drilling | DRLG NEW FORM F/ 1355' T/ 1402' - 47' @ 47 ft/hr - WOB=8/14K - RPM=50t+56m=106 - SPM=120 - GPM=355 - PP=750psi |
| 09:00 | 1.50 | 39 | Other | LOST FULL RETURNS - SLOWED PUMP RATE - PUMPED 80bbl PILLW/ 25 lb/bbl LCM -REGAINED RETURNS - LOST 175bbls TOTAL |
| 10:30 | 2.00 | 02 | Drilling | DRLG NEW FORM F/1402' T/ 1514' - 112' @ 56ft/hr- WOB=10/14K - RPM=50/56t+56m=106/112 - SPM=120 - GPM=355 -PP=750psi |
| 12:30 | 0.50 | 10 | Lubricate Rig | SERVICE RIG |
| 13:00 | 1.00 | 02 | Drilling | DRLG NEW FORM F/ 1514' T/1580' - 66' @ 66ft/hr - WOB=10/14K -RPM=50/55t+56m=106/111 -SPM=120 -GPM=355 -PP=750psi |
| 14:00 | 0.50 | 13 | Deviation Survey | SURVEY @ 1463' = 2.2 DEGREES INCLINATION - AZIMUTH = 83 DEGREES TRUE NORTH |
| 14:30 | 3.00 | 02 | Drilling | DRLG NEW FORM F/ 1578' T/ 1769' -191' @ 63.6ft/hr - WOB=8/12 -RPM=50/55t+56m=106/111 -SPM=120 -GPM=355 -PP=750psi |
| 17:30 | 0.50 | 13 | Deviation Survey | SURVEY @ 1685' = 1.8 DEGREES INCLINATION - AZIMUTH = 96.4 DEGREES TRUE NORTH |
| 18:00 | 3.00 | 02 | Drilling | DRLG NEW FORM F/ 1769' T/ 2026' = 257' @ 85.6ft/hr - WOB= 8/12K - RPM=55t+56m=111 -SPM=120 -GPM=355 -PP=825psi |
| 21:00 | 0.50 | 13 | Deviation Survey | SURVEY @ 1945' = 1.8 DEGREES INCLINATION - AZIMUTH = 122.6 DEGREES TRUE NORTH |
| 21:30 | 5.50 | 02 | Drilling | DRLG NEW FORM F/ 2026' T/ 2539' - 513' @ 93.3ft/hr - WOB=6/10K - RPM=60t+56m=116 - SPM=120 - GPM=355 - PP=1075psi |
| 03:00 | 0.50 | 13 | Deviation Survey | SURVEY @ 2459' = 1.8 DEGREES INCLINATION - AZIMUTH = 122.6 DEGRESS TRUE NORTH |
| 03:30 | 2.50 | 02 | Drilling | DRLG NEW FORM F/ 2539' T/ 2690 - 151' @ 60.4 ft/hr - WOB= 6/12K - RPM=59t+56m=115 -SPM=120 -GPM=355 -PP=1075psi |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 32,625 | 458,583 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|--------------------|--------------------|---------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Inhibited Water Base | 8.40 | 27 | 1.0 | 1.000 | 9.0 | 1.000 | 1.000 | 0.0 | | | |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| | | | | 100.0 | | 500 | | 0.1 | | | |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|---------------|------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 Air | | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 Hycalog | | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 2,690 | | 120.0 | 12 | 115 | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in ²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 2/10/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs): 9.00

Report Number: 40.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 1,275.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 495.00

Average ROP (ft/hr): 55.0

Days From Spud (days): 0.38

CASING PROGRAM

| OD (in) | WT (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

2/9/2007 06:00 - 2/10/2007 06:00

Operations at Report Time

24hr Forecast

Drilling @ 1275', 46.5 fph

Remarks

NOTE: FOUND OUT FROM ROCKY MT. DRILLING THAT SURF WAS DRILLED TO 800'+/- CSG SET @ 780' +/-

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|-------------------------------------|---|
| 06:00 | 1.00 | 20 | Drill Cement and/or Float Equipment | DRLG CEMENT F/ 620' |
| 07:00 | 1.00 | 21 | Nipple Up /Nipple Down BOP Stack | INSTALL ROTATING HEAD RUBBER & CENTER BOP'S |
| 08:00 | 2.00 | 20 | Drill Cement and/or Float Equipment | DRLG CEMENT T/ 750' |
| 10:00 | 0.50 | 02 | Drilling | DRLG NEW FORM F/ 750' TO 778' - 28' @ 56 ft/hr - WOB=8K - RPM=40t+56m=96 - SPM=120 -GPM=355 -PP=650psi |
| 10:30 | 0.50 | 31 | Pressure Integrity Test | RAN FORMATION INTEGRITY TEST W/ 75psi - PRESSURE DEOPPED TO 69psi IN 30MIN. = 10.0ppg MUD WT. EQUIVALENT PESSURE LOSS APPEARS TO BE IN SURFACE EQUIPMENT (BACK THROUGH PUMP) AFTER CLOSING VALVES AT PUMPS PRESSURE STABILIZED AT 69psi. = 10.05 MUD WT EQUIVALENT. |
| 11:00 | 0.50 | 10 | Lubricate Rig | SERVICE RIG |
| 11:30 | 0.50 | 02 | Drilling | DRLG NEW FORM F/ 778' T/ 778' - 0' @ 0 ft/hr - WOB=8/10K - RPM=40t+56m=96 - SPM=120 -GPM=355 -PP=650psi GETTING LARGE METAL SHAVINGS OVER THE SHAKER - WHEN WE RAN FIT STRING ACTED LIKE IT WAS TRYING TO HANG UP AT THE SHOE WHEN WE PULLED UP INTO CSG |
| 12:00 | 3.50 | 09 | Tripping Out | DROP TOTCO - TOOH TO CHECK BIT & BHA - WAITING ON CALL FROM ROCKY MT. DRILLERS RE: CSG DEPTH & HOLE DETH -TIH |
| 15:30 | 1.00 | 39 | Other | SWITCH OUT WEIGHT INDICATORS / RECALIBRATE STRING WT |
| 16:30 | 2.50 | 20 | Drill Cement and/or Float Equipment | DRLG CEMENT TO 845' -PUMPING SWEEPS TO UNLOAD CEMENT -DRILLED TO 856' -SPUD (DRLG NEW FORM @ 7:00PM 2/9/07 |
| 19:00 | 2.00 | 31 | Pressure Integrity Test | ATTEMPTING FORMATION INTEGRITY TEST @ 856' - SPOTTED LCM PILL ON BOTTOM - PRESSURED UP TO 100psi - PSI HELD @ 79psi - 10.06ppg MUD WT EQUIVILANT |
| 21:00 | 9.00 | 02 | Drilling | DRLG NEW FORM F/ 856' T/ 1275' - 419'@46.5 ft/hr - WOB=8/10K -RPM=35t+56m=91-SPM=120 -GPM=355 -PP=725psi |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 17,999 | 425,958 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|--------------------|--------------------|---------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Inhibited Water Base | 8.40 | 27 | 1.0 | 1.000 | 9.1 | 1.000 | 1.000 | 0.0 | | | |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Soi (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| | | | | 100.0 | | 400 | | 0.1 | | | |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 1,275 | | 120.0 | 10 | 91 | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 2/9/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 39.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 780.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): -0.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

2/8/2007 06:00 - 2/9/2007 06:00

Operations at Report Time

24hr Forecast

Drilling Cement @ 620'

Remarks

NOTE: 7 HOURS WORKING ON DRAWWORKS IS A CONTINUATION OF PREVIOUS DRAWWORKS REPAIR TIME.

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|---|---|
| 06:00 | 2.00 | 01 | Rig Up & Tear Down | RIGGING UP |
| 08:00 | 3.00 | 02 | Drilling | REDRILL RATHOLE & INSTALL KELLY SHUCK |
| 11:00 | 1.50 | 01 | Rig Up & Tear Down | RIGGING UP CHOKE LINES & GAS BUSTER |
| 12:30 | 5.00 | 22 | Test BOP | MIRU B&C QUIK TEST - TEST BOP'S, KELLY, SURFACE LINES, VALVES & MANIFOLD TO 250/3000psi - TEST CSG & ANNULAR TO 250 / 1500psi - ALL TEST DONE W/ LOW & HIGH PRESSURE TEST - FLANGE BETWEEN ANNULR & RAMS & WELLHEAD FLANGE LEAKED ON FIRST TEST - BOTH PASSED ON 2nd TEST - ALL TEST PASSED ON SECOND TEST - OK |
| 17:30 | 0.50 | 29 | Subsea | INSTALL WEAR BUSHING |
| 18:00 | 3.00 | 35 | Pick Up Drill Pipe/Bottom Hole Assembly | STRAP/CALIBER BHA - PICK UP BHA - BIT , NEAR BIT IBS (DOG SUB), MOTOR, IBS, DC, IBS, 16 DC's & 3 JTS HVYWT DP TAGGED CEMENT AT 620' |
| 21:00 | 7.00 | 39 | Other | WAITING ON NEW CHAINS FOR CAT HEAD & DRUM DUE TO EXCESSIVE SLACK IN CHAINS - REPLACING CHAINS TO DRUM & CATHEAD. |
| 04:00 | 0.50 | 20 | Drill Cement and/or Float Equipment | DRLG CEMENT & FLOAT EQUIP F/ 620' |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 39,550 | 407,959 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|-----------------------|-----------------------|---------------|------------------|--------------------|-----------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/ft...) | Gel(10min) (lb/ft...) | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Filter Cake (/32") | Pf (mL...) | Pm (m...) | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 780 | | | | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 2/8/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Rig Name/No: 51

Field Name:

Lease: ML-11124

API: 43047375710000

County: Uintah

Surface Legal Location: SW NE S32 T8S R25E

State: Utah

Target Depth (ftKB):

Depth End (ftKB): 780.0

Original KB Elevation (ft): 5,455.00

Depth End (TVD) (ftKB):

Target Formation:

Depth Progress (ft): 0.00

Drilling Hours (hrs):

Average ROP (ft/hr):

Report Number: 38.0

Days From Spud (days): -1.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

2/7/2007 06:00 - 2/8/2007 06:00

Operations at Report Time

24hr Forecast

Rig Repair

Remarks

NOTE: HAVE TO PICK UP MUD MOTOR, BIT & X/O SUB - DRILL OUT RAT HOLE BEFORE WE'LL BE READY TO START DRILLING. HAD RIG CREW GO AHEAD & START FILLING STEEL PITS AND CIRC RESERVE PIT, THEN START TREATING WATER TO RAISE HARDNESS & Ph IN PREPARATION TO DRILL OUT. STILL NEED TO TEST BOP'S & SURFACE EQUIPMENT.

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|--------------------|--|
| 06:00 | 9.00 | 01 | Rig Up & Tear Down | RIGGING UP - WAITING ON HYDROMATIC TO ARRIVE ON LOCATION - HAVE TO PICK UP KELLY & REDRILL RATHOLE YET . |
| 15:00 | 0.50 | 10 | Lubricate Rig | SERVICE RIG |
| 15:30 | 14.50 | 01 | Rig Up & Tear Down | RIGGING UP - INSTALLING HYDROMATIC - RIG UP CELLAR JET - PICKED UP KELLY |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 23,674 | 368,409 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|----------------------|----------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/ft... | Gel(10min) (lb/ft... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (ft/hr) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|---------|-----------|---------|--------|-----------------|------------------|-----------------|----------------|---------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |

| Depth End (ftKB) | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) |
|------------------|-----------|-------------------------|-----------|-----------------|-----------------|-----------------|------------------|
| 780 | | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 2/7/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Rig Name/No: 51

Field Name:

Lease: ML-11124

API: 43047375710000

County: Uintah

Surface Legal Location: SW NE S32 T8S R25E

State: Utah

Target Depth (ftKB):

Depth End (ftKB): 780.0

Original KB Elevation (ft): 5,455.00

Depth End (TVD) (ftKB):

Target Formation:

Depth Progress (ft): 0.00

Drilling Hours (hrs):

Average ROP (ft/hr):

Report Number: 37.0

Days From Spud (days): -2.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |

2/6/2007 06:00 - 2/7/2007 06:00

Operations at Report Time

24hr Forecast

Rig Repair

Remarks

NOTE: BOILER IS DOWN (LOW WATER SHUT OFF SWITCH IS BURNED OUT) HAVE ELECTRICIAN COMING OUT WEDNESDAY 2/7/07 TO REPLACE SWITCH - EXPECTED OUT BY WED. AFTERNOON - STILL WAITING ON BEARINGS & SEALS FOR HYDRO-MATIC - PARTS ARE EXPECTED TOMORROW (2/7/07) AFTERNOON ALSO?

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|--------------------|---|
| 06:00 | 10.50 | 11 | Rig Repair | RIG REPAIRS - REPLACE SEALS & CLUTCH HUB ON TORQUE CONVERTER FOR #1 FLOOR MOTOR |
| 16:30 | 0.50 | 39 | Other | BURN IN NEW BRAKE PADS ON DRAW WORKS |
| 17:00 | 13.00 | 01 | Rig Up & Tear Down | RAISED DERRICK AT 17:30PM (5:30) - RIGGING UP FLOOR & BOP'S - CAN NOT PICK UP & MAKE UP KELLY TO DRILL OUT RAT HOLE UNTILL BOILER IS UP & RUNNING - CAN NOT TEST BOP'S UNTILL KELLY IS MADE UP - STILL WAITING ON PARTS & REPAIRS TO BOILER & HYDROMATIC. |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 77,736 | 344,735 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|--------------------|--------------------|---------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP ... | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 780 | | | | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 2/6/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 36.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 780.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): -3.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

2/5/2007 06:00 - 2/6/2007 06:00

Operations at Report Time

Rig Repair

Remarks

24hr Forecast

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| | 266,999 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|------------------|--|----------------|-------------------|--------------------|--------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | | PV Override (cp) | | YP (lb/100ft*) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | PF (mL... | Pm (m... | O (%) | | W (%) | | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | | Avg Drill Gas (%) | | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 780 | | | | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in ²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company
Daily Drilling Report

Report Date: 2/5/2007
AFE#: 05-6558
Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling
Field Name:
API: 43047375710000
Surface Legal Location: SW NE S32 T8S R25E
Target Depth (ftKB):
Original KB Elevation (ft): 5,455.00
Target Formation:
Drilling Hours (hrs):
Report Number: 35.0

Rig Name/No: 51
Lease: ML-11124
County: Uintah
State: Utah
Depth End (ftKB): 780.0
Depth End (TVD) (ftKB):
Depth Progress (ft): 0.00
Average ROP (ft/hr):
Days From Spud (days): -4.63

| CASING PROGRAM | | | | | | |
|----------------|-------------|-------|------------------|------------------------|------------|---------------------|
| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

| | |
|---------------------------------|---------------|
| 2/4/2007 06:00 - 2/5/2007 06:00 | |
| Operations at Report Time | 24hr Forecast |
| Rig Repair | |
| Remarks | |

| DAILY CONTACTS | |
|----------------|----------------|
| Job Contact | Position |
| Trevor Murray | Rig Supervisor |

| COSTS | | | | | | |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
| | 266,999 | 626,000 | | 100.00 | | |

| MUD PROPERTIES | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|--------------------|--------------------|---------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |

| PUMP OPERATIONS | | | | | | | |
|-----------------|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
| | | | | | | | |

| PUMP CHECKS | | | | | | |
|-------------|------|-------|------------|----------|---------------|---------|
| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) |
| | | | | No | | |

| BIT INFORMATION | | | | | | | | | |
|-----------------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

| DAILY DRILL STRING INFORMATION | | | | | | | | | |
|--------------------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 780 | | | | | | | | | |

| DAILY HYDRAULICS | | | | |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|
| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) |
| | | | | HP/Area (hp/in²) |

| BOTTOM HOLE ASSEMBLY DETAIL | | | | | | |
|-----------------------------|------------------|---------|---------|------------|----------|--------------|
| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
| | | | | | | |

| MUD USAGE | | |
|-------------|----------|--------|
| Description | Consumed | On Loc |
| | | |

| CONSUMABLES | | |
|-------------------------|----------|------------|
| Supply Item Description | Consumed | Cum On Loc |
| | | |

| SAFETY CHECKS - JSA | | | |
|---------------------|------|-------------|---------|
| Date | Type | Description | Comment |
| | | | |

| Survey Data | | | | | | | |
|-------------|----------|---------|------------|---------|---------|---------|---------------|
| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
| | | | | | | | |



The Houston Exploration Company
Daily Drilling Report

Report Date: 2/4/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 34.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 780.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): -5.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

2/3/2007 06:00 - 2/4/2007 06:00

Operations at Report Time

24hr Forecast

Rig Repair

Remarks

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| | 266,999 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|--------------------|--------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP ... | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 780 | | | | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 2/3/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 33.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 780.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): -6.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

2/2/2007 06:00 - 2/3/2007 06:00

Operations at Report Time

Rig Repair

Remarks

24hr Forecast

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| | 266,999 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|--------------------|--------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-------------------------|-----------|-----------------|------------------|-----------------|------------------|---------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | | |
| 780 | | | | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 2/2/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 32.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 780.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): -7.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

2/1/2007 06:00 - 2/2/2007 06:00

Operations at Report Time

Rig Repair

Remarks

24hr Forecast

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|-------------|--|
| 06:00 | 24.00 | 11 | Rig Repair | RIG REPAIRS - DRAW WORKS IN SHOP CHANGING OUT DRUM BEARINGS - HI & LOW DRUM CLUTCHES - BRAKE PADS PROJECTED DATE FOR FINISHING REPAIRS IS SUNDAY FEB 4th - DRAW WORKS SCHEDULED TO BE DELIVERED TO LOCATION ON MONDAY FEB. 5th |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 4,921 | 266,999 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|--|------------------------|--|----------------|------------|--------------------|--------------------|----------------|--------------------|---------------------|--|
| Mud Type | MW (lb/gal) | | FV (s/qt) | | PV Override (cp) | | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Filter Cake (1/32") | Pf (mL... | Pm (m... | O (%) | | W (%) | | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... | |
| Avg Background Gas (%) | | | | | Avg Connection Gas (%) | | | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (1/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 780 | | | | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company
Daily Drilling Report

Report Date: 2/1/2007
AFE#: 05-6558
Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling
Field Name:
API: 43047375710000
Surface Legal Location: SW NE S32 T8S R25E
Target Depth (ftKB):
Original KB Elevation (ft): 5,455.00
Target Formation:
Drilling Hours (hrs):
Report Number: 31.0

Rig Name/No: 51
Lease: ML-11124
County: Uintah
State: Utah
Depth End (ftKB): 780.0
Depth End (TVD) (ftKB):
Depth Progress (ft): 0.00
Average ROP (ft/hr):
Days From Spud (days): -8.63

| CASING PROGRAM | | | | | | |
|----------------|-------------|-------|------------------|------------------------|------------|---------------------|
| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

| | |
|----------------------------------|---------------|
| 1/31/2007 06:00 - 2/1/2007 06:00 | |
| Operations at Report Time | 24hr Forecast |
| Rig Repair | |
| Remarks | |

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|-------------|----------------------|
| 06:00 | 24.00 | 11 | Rig Repair | DOWN FOR RIG REPAIRS |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 2,866 | 262,078 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|--------------------|--------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft³) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 780 | | | | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company
Daily Drilling Report

Report Date: 1/31/2007
AFE#: 05-6558
Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling
Field Name:
API: 43047375710000
Surface Legal Location: SW NE S32 T8S R25E
Target Depth (ftKB):
Original KB Elevation (ft): 5,455.00
Target Formation:
Drilling Hours (hrs):
Report Number: 30.0

Rig Name/No: 51
Lease: ML-11124
County: Uintah
State: Utah
Depth End (ftKB): 780.0
Depth End (TVD) (ftKB):
Depth Progress (ft): 0.00
Average ROP (ft/hr):
Days From Spud (days): -9.63

| CASING PROGRAM | | | | | | |
|----------------|-------------|-------|------------------|------------------------|------------|---------------------|
| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

| 1/30/2007 06:00 - 1/31/2007 06:00 | |
|-----------------------------------|---------------|
| Operations at Report Time | 24hr Forecast |
| Rig Repair | |
| Remarks | |

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|-------------|--|
| 06:00 | 24.00 | 11 | Rig Repair | RIG REPAIRS - DRAW WORKS IN THE SHOP TO REPLACE DRUM BEARINGS & POSSIBLY DRUM SHAFT - REPLACING HYDROMATIC - WINTERIZING RIG |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 4,921 | 259,212 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|--------------------|--------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft*) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 780 | | | | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (*/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company
Daily Drilling Report

Report Date: 1/30/2007
AFE#: 05-6558
Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 29.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 780.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): -10.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

1/29/2007 06:00 - 1/30/2007 06:00

Operations at Report Time

MI&RU Patterson Rig 51

24hr Forecast

Remarks

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|--------------------|---|
| 06:00 | 12.00 | 01 | Rig Up & Tear Down | MIRU PATTERSON RIG 51 - PATTERSON RIG UP TRUCKS RELEASED @ 14:30 PM |
| 18:00 | 12.00 | 39 | Other | SHUT DOWN FOR THE NIGHT |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 14,921 | 254,291 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|--------------------|--------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft³) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 780 | | | | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HPI/Area (hp/in ²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|--------------------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 1/29/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 28.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 780.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): -11.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

1/28/2007 06:00 - 1/29/2007 06:00

Operations at Report Time

MI&RU Patterson Rig 51

Remarks

24hr Forecast

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|--------------------|---|
| 06:00 | 12.00 | 01 | Rig Up & Tear Down | MIRU PATTERSON RIG #51 - MOVING TRUCKS RELEASED AT 2:30PM |
| 18:00 | 12.00 | 39 | Other | SHUT DOWN FOR THE NIGHT |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 15,516 | 239,370 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|--------------------|--------------------|---------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/ft) | Gel(10min) (lb/ft) | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Inhibited Water Base | 9.70 | 42 | 14.0 | 12.000 | 9.0 | 4.000 | 10.000 | 5.0 | | | |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| 2 | | | 0.0 | 91.0 | 0.3 | 500 | | 9.0 | 160.000 | | |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |
| | | | | | | | | | | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP ... | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 780 | | | | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 1/28/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 27.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 780.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): -12.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

1/27/2007 06:00 - 1/28/2007 06:00

Operations at Report Time

MI&RU Patterson Rig 51

Remarks

24hr Forecast

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|--------------------|-------------------------|
| 06:00 | 12.00 | 01 | Rig Up & Tear Down | MIRU PATTERSON RIG #51 |
| 18:00 | 12.00 | 39 | Other | SHUT DOWN FOR THE NIGHT |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 25,671 | 223,854 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|----------------|----------------|------------------------|----------------|--------|------------------------|------------------------|---------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft³) | pH | Gel(10sec) (lb/100ft³) | Gel(10min) (lb/100ft³) | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Inhibited Water Base | 9.50 | 41 | 14.0 | 11.000 | 8.7 | 3.000 | 10.000 | 6.1 | | | |
| Filter Cake (7/32") | Pf (mL/100ft³) | Pm (mL/100ft³) | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| | | | 0.0 | 92.0 | 0.3 | 500 | | 8.0 | 160.000 | | |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |
| | | | | | | | | | | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP ... | Nozzles (1/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 780 | | | | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 1/27/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Rig Name/No: 51

Field Name:

Lease: ML-11124

API: 43047375710000

County: Uintah

Surface Legal Location: SW NE S32 T8S R25E

State: Utah

Target Depth (ftKB):

Depth End (ftKB): 780.0

Original KB Elevation (ft): 5,455.00

Depth End (TVD) (ftKB):

Target Formation:

Depth Progress (ft): 0.00

Drilling Hours (hrs):

Average ROP (ft/hr):

Report Number: 26.0

Days From Spud (days): -13.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |

1/26/2007 06:00 - 1/27/2007 06:00

Operations at Report Time

24hr Forecast

MI&RU Patterson Rig 51

Remarks

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|--------------------|-------------------------|
| 06:00 | 12.00 | 01 | Rig Up & Tear Down | MIRU PATTERSON RIG 51 |
| 18:00 | 12.00 | 39 | Other | SHUT DOWN FOR THE NIGHT |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 25,671 | 198,183 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|--------------------|--------------------|---------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP ... | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 7.825 | Hycalog | DSX516 | 780.0 | 6,608.0 | 51.6 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 780 | | | | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company
Daily Drilling Report

Report Date: 1/26/2007
AFE#: 05-6558
Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling
Field Name:
API: 43047375710000
Surface Legal Location: SW NE S32 T8S R25E
Target Depth (ftKB):
Original KB Elevation (ft): 5,455.00
Target Formation:
Drilling Hours (hrs):
Report Number: 25.0

Rig Name/No: 51
Lease: ML-11124
County: Uintah
State: Utah
Depth End (ftKB): 780.0
Depth End (TVD) (ftKB):
Depth Progress (ft): 0.00
Average ROP (ft/hr):
Days From Spud (days): -14.63

| CASING PROGRAM | | | | | | |
|----------------|-------------|-------|------------------|------------------------|------------|---------------------|
| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

| 1/25/2007 06:00 - 1/26/2007 06:00 | |
|---|---------------|
| Operations at Report Time MI&RU Patterson Rig 51 | 24hr Forecast |
| Remarks | |

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|--------------------|-------------------------|
| 06:00 | 12.00 | 01 | Rig Up & Tear Down | MIRU PATTERSON RIG 51 |
| 18:00 | 12.00 | 39 | Other | SHUT DOWN FOR THE NIGHT |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 25,671 | 172,512 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|--------------------|--------------------|---------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|---------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |
| 7.825 | Hycalog | PDC | 6,684.00 | 59.2 | 780.0 | 6,608.0 | ----- | --- | 113.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (... Nozzles (/32")) | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|------------------------------|-----------------|------------------|
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
|-----|------------------|---------|---------|------------|----------|--------------|

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
|-------------|----------|--------|

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
|-------------------------|----------|------------|

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
|------|------|-------------|---------|

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
|-----------|----------|---------|------------|---------|---------|---------|---------------|



The Houston Exploration Company
Daily Drilling Report

Report Date: 1/25/2007
AFE#: 05-6558
Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling
Field Name:
API: 43047375710000
Surface Legal Location: SW NE S32 T8S R25E
Target Depth (ftKB):
Original KB Elevation (ft): 5,455.00
Target Formation:
Drilling Hours (hrs):
Report Number: 24.0

Rig Name/No: 51
Lease: ML-11124
County: Uintah
State: Utah
Depth End (ftKB): 780.0
Depth End (TVD) (ftKB):
Depth Progress (ft): 0.00
Average ROP (ft/hr):
Days From Spud (days): -15.63

| CASING PROGRAM | | | | | | |
|----------------|-------------|-------|------------------|------------------------|------------|---------------------|
| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

| | |
|-----------------------------------|---------------|
| 1/24/2007 06:00 - 1/25/2007 06:00 | |
| Operations at Report Time | 24hr Forecast |
| Rigging down to move | |
| Remarks | |

| DAILY CONTACTS | |
|----------------|----------------|
| Job Contact | Position |
| Trevor Murray | Rig Supervisor |

| TIME LOG | | | | | Description OP |
|----------|------------|------|--------------------|--|------------------------------------|
| From | HRS. (hrs) | Code | Description | | |
| 06:00 | 12.00 | 01 | Rig Up & Tear Down | | RIGGING DOWN PATTERSON #51 TO MOVE |
| 18:00 | 12.00 | 39 | Other | | SHUT DOWN FOR THE NIGHT |

| COSTS | | | | | | |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
| 25,671 | 146,841 | 626,000 | | 100.00 | | |

| MUD PROPERTIES | | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|--------------------|--------------------|---------------|------------------|--------------------|---------------------|--|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM | | |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... | |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | | |

| PUMP OPERATIONS | | | | | | | |
|-----------------|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
| | | | | | | | |

| PUMP CHECKS | | | | | | | |
|-------------|------|-------|------------|----------|---------------|---------|---------|
| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
| | | | | No | | | |

| BIT INFORMATION | | | | | | | | | | Total hours drilled by bit (hrs) |
|-----------------|------|--------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|--|----------------------------------|
| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | | |
| 18 Bucket | | Bucket | 60.00 | 10.0 | 0.0 | 60.0 | ----- | --- | | 6.00 |
| 11 Air | | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | | 19.00 |

| DAILY DRILL STRING INFORMATION | | | | | | | | | |
|--------------------------------|-----------|-------------------------|-----------|-----------------|------------------|-----------------|------------------|---------------|------------|
| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
| Depth End (ftKB) | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | | |

| DAILY HYDRAULICS | | | | | |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |

| BOTTOM HOLE ASSEMBLY DETAIL | | | | | | |
|-----------------------------|------------------|---------|---------|------------|----------|--------------|
| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
| | | | | | | |

| MUD USAGE | | |
|-------------|----------|--------|
| Description | Consumed | On Loc |
| | | |

| CONSUMABLES | | |
|-------------------------|----------|------------|
| Supply Item Description | Consumed | Cum On Loc |
| | | |

| SAFETY CHECKS - JSA | | | |
|---------------------|------|-------------|---------|
| Date | Type | Description | Comment |
| | | | |

| Survey Data | | | | | | | |
|-------------|----------|---------|------------|---------|---------|---------|---------------|
| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
| | | | | | | | |



The Houston Exploration Company
Daily Drilling Report

Report Date: 1/13/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 23.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 780.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): -27.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

1/12/2007 06:00 - 1/13/2007 06:00

Operations at Report Time

Install wellhead

Remarks

24hr Forecast

No movement

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|-------------|--|
| 06:00 | 2.00 | 39 | Other | No movement |
| 08:00 | 8.00 | 39 | Other | Install wellhead collar |
| 16:00 | 14.00 | 39 | Other | No movement |
| 06:00 | 0.00 | 39 | Other | Well is complete and ready for drilling rig. |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 4,766 | 121,170 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|--------------------|--------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|--------|--------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 18 | Bucket | Bucket | 60.00 | 10.0 | 0.0 | 60.0 | ----- | --- | 6.00 |
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes | | | | | | |
|------------------|-----------|-----------|-------|-------------------------|------------------|---------------|----------------|-----------------|------------|-----------------|--|-----------------|--|------------------|--|
| | | | | | | | | | | | | | | | |
| Depth End (ftKB) | | SPP (psi) | | Weight on Bit (1000lbf) | | RPM (rpm) | | Drilling Torque | | PU HL (1000lbf) | | SO HL (1000lbf) | | Rot HL (1000lbf) | |
| | | | | | | | | | | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 1/12/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 22.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 780.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): -28.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

1/11/2007 06:00 - 1/12/2007 06:00

Operations at Report Time

Drain frac tank to be hauled off

Remarks

24hr Forecast

Install wellhead, have frac tank hauled off

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|-------------|--|
| 06:00 | 6.00 | 39 | Other | No movement |
| 12:00 | 6.00 | 39 | Other | Had a water truck with a hot load of fresh water thaw out and drain frac tank into reserve pit |
| 18:00 | 12.00 | 39 | Other | No Movement |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 735 | 116,404 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|--------------------|--------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|--------|--------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 18 | Bucket | Bucket | 60.00 | 10.0 | 0.0 | 60.0 | ----- | --- | 6.00 |
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (... Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------------------|-----------------|------------------|
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in ²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company
Daily Drilling Report

Report Date: 1/11/2007
AFE#: 05-6558
Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling
Field Name:
API: 43047375710000
Surface Legal Location: SW NE S32 T8S R25E
Target Depth (ftKB):
Original KB Elevation (ft): 5,455.00
Target Formation:
Drilling Hours (hrs):
Report Number: 21.0

Rig Name/No: 51
Lease: ML-11124
County: Uintah
State: Utah
Depth End (ftKB): 780.0
Depth End (TVD) (ftKB):
Depth Progress (ft): 0.00
Average ROP (ft/hr):
Days From Spud (days): -29.63

| CASING PROGRAM | | | | | | |
|----------------|-------------|-------|------------------|------------------------|------------|---------------------|
| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

| | |
|-----------------------------------|-----------------------------------|
| 1/10/2007 06:00 - 1/11/2007 06:00 | |
| Operations at Report Time | 24hr Forecast |
| Ordered water truck to drain tank | Drain frac tank, install wellhead |
| Remarks | |

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS (hrs) | Code | Description | Description OP |
|-------|-----------|------|-------------|---|
| 06:00 | 14.00 | 39 | Other | No movement |
| 20:00 | 3.50 | 39 | Other | Ordered water truck plus one load of water for pit, to go out and drain frac tank into reserve pit, tank was frozen up and could not be drained |
| 23:30 | 6.50 | 39 | Other | No Movement |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 298 | 115,669 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|--------------------|--------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|--------|--------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 18 | Bucket | Bucket | 60.00 | 10.0 | 0.0 | 60.0 | ----- | --- | 6.00 |
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in ²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company
Daily Drilling Report

Report Date: 1/10/2007
AFE#: 05-6558
Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 20.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 780.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): -30.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

1/9/2007 06:00 - 1/10/2007 06:00

Operations at Report Time

No Movement

Remarks

24hr Forecast

Install wilhead

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| | 115,371 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|--|----------------|------------|----------------------|----------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | | YP (lb/100ft²) | pH | Gel(10sec) (lb/ft... | Gel(10min) (lb/ft... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|--------|--------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 18 | Bucket | Bucket | 60.00 | 10.0 | 0.0 | 60.0 | ----- | --- | 6.00 |
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|-------------------------|-----------|------|-------|-----------------|------------------|---------------|----------------|---------------|------------|
| Depth End (ftKB) | | | | | | | | | |
| SPP (psi) | | | | | | | | | |
| Weight on Bit (1000lbf) | | | | | | | | | |
| RPM (rpm) | | | | | | | | | |
| Drilling Torque | | | | | | | | | |
| PU HL (1000lbf) | | | | | | | | | |
| SO HL (1000lbf) | | | | | | | | | |
| Rot HL (1000lbf) | | | | | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in ²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 1/9/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 19.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 780.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): -31.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

1/8/2007 06:00 - 1/9/2007 06:00

Operations at Report Time

Blade location, install cellar ring

Remarks

24hr Forecast

Finish up with wellhead

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------------|
| Trevor Murray | Rig Supervisor |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|--------------------|-------------------------|
| 06:00 | 2.00 | 01 | Rig Up & Tear Down | Move grader to location |
| 08:00 | 3.00 | 39 | Other | Blade location |
| 11:00 | 2.00 | 39 | Other | Install cellar ring |
| 13:00 | 17.00 | 39 | Other | No movement |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 2,738 | 115,371 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|-----------|------------------------|----------------|------------|-----------------------|-----------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft³) | pH | Gel(10sec) (lb/ft...) | Gel(10min) (lb/ft...) | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL...) | Pm (m...) | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Soi (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|--------|--------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 18 | Bucket | Bucket | 60.00 | 10.0 | 0.0 | 60.0 | ----- | --- | 6.00 |
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in ²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100R) |
|-----------|----------|---------|------------|---------|---------|---------|--------------|
| | | | | | | | |



The Houston Exploration Company
Daily Drilling Report

Report Date: 1/8/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Patterson Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 18.0

Rig Name/No: 51

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 780.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): -32.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

1/5/2007 06:00 - 1/8/2007 06:00

Operations at Report Time

No movement

Remarks

24hr Forecast

Blade location, put in cellar ring, install well head

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 530 | 112,633 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|--------------------|--------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|--------|--------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 18 | Bucket | Bucket | 60.00 | 10.0 | 0.0 | 60.0 | ----- | --- | 6.00 |
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------|-------------------------|------------------|---------------|----------------|------------------|------------|
| | | | | | | | | | |
| Depth End (ftKB) | | SPP (psi) | | Weight on Bit (1000lbf) | | RPM (rpm) | | Drilling Torque | |
| | | | | | | | | PU HL (1000lbf) | |
| | | | | | | | | SO HL (1000lbf) | |
| | | | | | | | | Rot HL (1000lbf) | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company
Daily Drilling Report

Report Date: 1/5/2007
AFE#: 05-6558
Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Rocky Mountain Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 17.0

Rig Name/No: 02

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 780.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): -35.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

1/4/2007 06:00 - 1/5/2007 06:00

Operations at Report Time

Drill surface, run and cement casing

Remarks

24hr Forecast

Install wellhead

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|--------------------|---|
| 06:00 | 10.00 | 39 | Other | Waiting on lifting sub to be built so rig can handle longer pipe. |
| 16:00 | 2.00 | 15 | Run Casing | Ran a shoe one joint a float collar and 17 more joints of 8 5/8 J-55 24 lb casing, for a total of 780.95' with centralizers on bottom six joints at one centralizer per joint. |
| 18:00 | 0.75 | 01 | Rig Up & Tear Down | Moved rig off location, moved cement trucks on location |
| 18:45 | 3.25 | 16 | Cementing | 18:45 Had safety meeting and began rigging up cement trucks 20:26 Tested equipment to 1000 psi Good Test(15 min test) 20:28 Started 30 bbl of fresh water down hole @ 2.5 bbl/min 20:35 Started 20 bbl gel @ 2.5 bbl/min and 20 psi 20:43 Started 86.1 bbl of cement @ 2.5 bbl/min and 50 psi 21:15 Fresh water now at surface 21:43 Drop plug, and start displacement of cement with 46.88 bbl fresh water @ 2.5 bbl/min and 55 psi 21:52 Cement to surface with 10 bbls of water still left to displace 21:55 Slow pump rate down to 1 bbl/min and 295 psi 21:58 Landed plug, plug held Rigged down and moved off |
| 22:00 | 8.00 | | | No movement |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 43,553 | 112,103 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------|------------------------|--------|--------------------|--------------------|---------------|-----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chi (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|--------|--------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 18 | Bucket | Bucket | 60.00 | 10.0 | 0.0 | 60.0 | ----- | --- | 6.00 |
| 11 | Air | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |



The Houston Exploration Company
Daily Drilling Report

Report Date: 1/5/2007
AFE#: 05-6558
Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

| SAFETY CHECKS - JSA | | | | | | | |
|---------------------|----------|-------------|------------|---------|---------|---------|---------------|
| Date | Type | Description | Comment | | | | |
| | | | | | | | |
| Survey Data | | | | | | | |
| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
| | | | | | | | |



The Houston Exploration Company
Daily Drilling Report

Report Date: 1/4/2007
AFE#: 05-6558
Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Rocky Mountain Drilling

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs): 19.00

Report Number: 16.0

Rig Name/No: 02

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 780.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 720.00

Average ROP (ft/hr): 37.9

Days From Spud (days): -36.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

1/3/2007 06:00 - 1/4/2007 06:00

Operations at Report Time

Picking up BHA to drill surface

Remarks

24hr Forecast

TD surface, run and cement casing

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|--|---|
| 06:00 | 1.00 | 35 | Pick Up Drill Pipe/Bottom Hole Assembly | Picked up BHA, 11" bit, and air hammer, tagged bottom @ 60' |
| 07:00 | 19.00 | 02 | Drilling | Drilled 11" hole from 60' to 780' TD |
| 02:00 | 0.50 | 07 | Condition and/or Circulate mud | Blow cuttings clean from hole |
| 02:30 | 3.50 | 36 | Lay Down Drill Pipe/Bottom Hole Assembly | Tripped drill pipe out of hole, and laid down BHA and drill pipe. |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| | 68,550 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|----------------------|----------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/ft... | Gel(10min) (lb/ft... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|------|--------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 18 Bucket | | Bucket | 60.00 | 10.0 | 0.0 | 60.0 | ----- | --- | 6.00 |
| 11 Air | | Air | 720.00 | 37.9 | 60.0 | 780.0 | ----- | --- | 19.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| 1 | 11 | Air | Air 1 | 60.0 | 780.0 | 37.9 | | ----- | --- |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |
| 780 | | | 2,000 | 15 | | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 1/3/2007

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor:

Rig Name/No:

Field Name:

Lease: ML-11124

API: 43047375710000

County: Uintah

Surface Legal Location: SW NE S32 T8S R25E

State: Utah

Target Depth (ftKB):

Depth End (ftKB): 60.0

Original KB Elevation (ft): 5,455.00

Depth End (TVD) (ftKB):

Target Formation:

Depth Progress (ft): 0.00

Drilling Hours (hrs):

Average ROP (ft/hr):

Report Number: 15.0

Days From Spud (days): -37.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

1/2/2007 06:00 - 1/3/2007 06:00

Operations at Report Time

24hr Forecast

Move in air rig

Begin drilling surface

Remarks

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|--------------------|---|
| 06:00 | 6.00 | 39 | Other | |
| 12:00 | 4.00 | 01 | Rig Up & Tear Down | Move rig to location and rig up |
| 16:00 | 14.00 | 24 | Fishing | While picking up BHA an 8 lb sledge hammer was dropped down hole. Call for magnet Fish for sledge hammer with magnet Fish retrieved at 06:00 |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 495 | 68,550 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|--------------------|--------------------|----------------|--------------------|---------------------|
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|--------|--------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 18 | Bucket | Bucket | 60.00 | 10.0 | 0.0 | 60.0 | ----- | ---- | 6.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 12/30/2006

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor:

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 14.0

Rig Name/No:

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 60.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): -41.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |

12/29/2006 06:00 - 12/30/2006 06:00

Operations at Report Time

Surface csg in transit to location

Remarks

24hr Forecast

Wait on air rig

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|-------------|---|
| 06:00 | 24.00 | 39 | Other | Drove to location to check on rig, had not shown up, waited on casing it also did not show up. Called Rocky Mountain Drilling and they informed me that the rig had taken longer to fix then planned due to un-availability of parts due to holiday, but the rig was running casing on the hole that it was on and would move directly to Hacking Reservoir when finished. Called to find out where casing was and found out that the truck hauling casing was stuck in a snow bank on top of the mountain, informed the company to let me know when the truck got out of the snow bank, so that someone could be at the location to unload the truck. Met the truck on location at 16:00 and unloaded truck due to problems with the rig not being able to be there. |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 17,201 | 68,055 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|-----------------------|----------------------|---------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/ft...) | Gel(10min) (lb/ft... | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|--------|--------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 18 | Bucket | Bucket | 60.00 | 10.0 | 0.0 | 60.0 | ----- | --- | 6.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------|-------------------------|------------------|---------------|----------------|-----------------|------------------|
| | | | | | | | | | |
| Depth End (ftKB) | | SPP (psi) | | Weight on Bit (1000lbf) | | RPM (rpm) | | Drilling Torque | |
| | | | | | | | | PU HL (1000lbf) | SO HL (1000lbf) |
| | | | | | | | | | Rot HL (1000lbf) |

DAILY HYDRAULICS

| | | | | | | |
|---------------------------|--|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| Max Open Hole AV (ft/min) | | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|--|------------------------|-------------------------|-------------------------|--------------------------|------------------|

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company
Daily Drilling Report

Report Date: 12/27/2006

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor:
Field Name:
API: 43047375710000
Surface Legal Location: SW NE S32 T8S R25E
Target Depth (ftKB):
Original KB Elevation (ft): 5,455.00
Target Formation:
Drilling Hours (hrs):
Report Number: 13.0

Rig Name/No:
Lease: ML-11124
County: Uintah
State: Utah
Depth End (ftKB): 60.0
Depth End (TVD) (ftKB):
Depth Progress (ft): 0.00
Average ROP (ft/hr):
Days From Spud (days): -44.63

| CASING PROGRAM | | | | | | |
|----------------|-------------|-------|------------------|------------------------|------------|---------------------|
| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

| 12/26/2006 06:00 - 12/27/2006 06:00 | |
|-------------------------------------|-----------------|
| Operations at Report Time | 24hr Forecast |
| Wait on air rig | Wait on air rig |
| Remarks | |

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|-------------|---|
| 06:00 | 24.00 | 39 | Other | Rig is to be ready and on location by thursday, 12/28/06, called and ordered casing. Casing is to be delivered on Friday, 12/29/06. |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| | 50,854 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|--------------------|--------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft³) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|--------|--------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 18 | Bucket | Bucket | 60.00 | 10.0 | 0.0 | 60.0 | ----- | --- | 6.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company
Daily Drilling Report

Report Date: 12/22/2006

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor:

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 12.0

Rig Name/No:

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 60.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 0.00

Average ROP (ft/hr):

Days From Spud (days): -49.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |

12/21/2006 06:00 - 12/22/2006 06:00

Operations at Report Time

Wait on air rig

Remarks

24hr Forecast

Wait on air rig

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|-------------|---|
| 06:00 | 24.00 | 39 | Other | Air rig broke down, rig will call and let me know when it is fixed. |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| | 50,854 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|----------------------|----------------------|---------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/ft... | Gel(10min) (lb/ft... | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|--------|--------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 18 | Bucket | Bucket | 60.00 | 10.0 | 0.0 | 60.0 | ----- | --- | 6.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes | | | | | | |
|------------------|-----------|-----------|-------|-------------------------|------------------|---------------|----------------|-----------------|------------|-----------------|--|-----------------|--|------------------|--|
| | | | | | | | | | | | | | | | |
| Depth End (ftKB) | | SPP (psi) | | Weight on Bit (1000lbf) | | RPM (rpm) | | Drilling Torque | | PU HL (1000lbf) | | SO HL (1000lbf) | | Rot HL (1000lbf) | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 12/21/2006

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor:

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs): 6.00

Report Number: 11.0

Rig Name/No:

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB): 60.0

Depth End (TVD) (ftKB):

Depth Progress (ft): 60.00

Average ROP (ft/hr): 10.0

Days From Spud (days): -50.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

12/20/2006 06:00 - 12/21/2006 06:00

Operations at Report Time

Move in bucket rig

Remarks

24hr Forecast

Wait on air rig

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|--------------------|---|
| 06:00 | 4.00 | 39 | Other | No movement |
| 10:00 | 2.00 | 01 | Rig Up & Tear Down | Move rig to location |
| 12:00 | 5.00 | 02 | Drilling | Drilled 60' of 18" hole, as well as both 30' of rat and mouse hole. |
| 17:00 | 1.00 | 15 | Run Casing | Picked up 60' of 18" pipe and ran in hole, weld 1- 40' joint to 1- 20' joint grade A-252 1/4" wall pipe |
| 18:00 | 1.00 | 16 | Cementing | Cement with 5 yards class G cement, to surface |
| 19:00 | 6.00 | 39 | Other | Drilled 18" rat and mouse hole, and installed 25' of 14" poly pipe in each |
| 01:00 | 6.00 | 00 | Location Work | No movement |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 11,065 | 50,854 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft³) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM | |
|------------------------|-------------|-----------|------------------------|----------------|--------|--------------------|--------------------|---------------|------------------|--------------------|-----------------|
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P. (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|----------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|--------|--------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| 18 | Bucket | Bucket | 60.00 | 10.0 | 0.0 | 60.0 | ----- | --- | 6.00 |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|---------|-----------|--------|----------|-----------------|------------------|---------------|----------------|---------------|------------|
| 1 | 18 | Bucket | Bucket 1 | 0.0 | 60.0 | 10.0 | | ----- | --- |

| Depth End (ftKB) | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) |
|------------------|-----------|-------------------------|-----------|-----------------|-----------------|-----------------|------------------|
| 60 | | 10 | 0 | | | | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in ²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 12/20/2006

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Stubbs & Stubbs Const

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 10.0

Rig Name/No: 00

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB):

Depth End (TVD) (ftKB):

Depth Progress (ft):

Average ROP (ft/hr):

Days From Spud (days): -51.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

12/19/2006 06:00 - 12/20/2006 06:00

Operations at Report Time

Installing pit liner, 100% complete

Remarks

24hr Forecast

Wait on bucket rig

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|---------------|---|
| 06:00 | 9.50 | 00 | Location Work | Location is finished, pit is lined. Called Division of Oil and Gas, to give 24 hr notice before spudding. Called Mary Muse and ordered casing, casing is to arrive Friday morning 24 lb, J-55, 750' and no longer than 42' joints. Called Rocky Mountain Drilling and lined up a rig to set the conductor, as well as a rig to drill the surface. |
| 15:30 | 14.50 | 00 | Location Work | No Movement |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 10,766 | 39,789 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|--------------|--------------|-----------|------------------------|----------------|------------|---------------------|---------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/ft³) | Gel(10min) (lb/ft³) | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL/100g) | Pm (mL/100g) | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| | | | | | | | | | |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 12/19/2006

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Stubbs & Stubbs Const

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 9.0

Rig Name/No: 00

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB):

Depth End (TVD) (ftKB):

Depth Progress (ft):

Average ROP (ft/hr):

Days From Spud (days): -52.63

CASING PROGRAM

| OD (in) | WT (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

12/18/2006 06:00 - 12/19/2006 06:00

Operations at Report Time

No movement, 85% complete

Remarks

24hr Forecast

Line pit

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| | 29,024 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|--------------------|--------------------|----------------|--------------------|-------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) . |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| | | | | | | | | | |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 12/18/2006

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Stubbs & Stubbs Const

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 8.0

Rig Name/No: 00

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB):

Depth End (TVD) (ftKB):

Depth Progress (ft):

Average ROP (ft/hr):

Days From Spud (days): -53.63

CASING PROGRAM

| OD (in) | WT (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

12/17/2006 06:00 - 12/18/2006 06:00

Operations at Report Time

Building location, 85% complete

Remarks

24hr Forecast

Off

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|---------------|---|
| 06:00 | 0.50 | 00 | Location Work | No Movement |
| 06:30 | 9.00 | 00 | Location Work | Location is nearly completed, pit is now dug. One hour on dozers, and seven and a half hours on the blade cleaning up the road. |
| 15:30 | 14.50 | 00 | Location Work | No Movement |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 2,950 | 29,024 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| MUD PROPERTIES | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|----------------------|----------------------|---------------|------------------|------------------------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/ft... | Gel(10min) (lb/ft... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... Mud Lost (Surf) |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| | | | | | | | | | |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (ft/hr) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| | | | | | | | | | |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company
Daily Drilling Report

Report Date: 12/17/2006
AFE#: 05-6558
Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Stubbs & Stubbs Const
Field Name:
API: 43047375710000
Surface Legal Location: SW NE S32 T8S R25E
Target Depth (ftKB):
Original KB Elevation (ft): 5,455.00
Target Formation:
Drilling Hours (hrs):
Report Number: 7.0

Rig Name/No: 00
Lease: ML-11124
County: Uintah
State: Utah
Depth End (ftKB):
Depth End (TVD) (ftKB):
Depth Progress (ft):
Average ROP (ft/hr):
Days From Spud (days): -54.63

| CASING PROGRAM | | | | | | |
|----------------|-------------|-------|------------------|------------------------|------------|---------------------|
| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

| | |
|-------------------------------------|-------------------|
| 12/16/2006 06:00 - 12/17/2006 06:00 | |
| Operations at Report Time | 24hr Forecast |
| Building location, 65% complete | Building location |
| Remarks | |

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|---------------|---|
| 06:00 | 0.50 | 00 | Location Work | No movement |
| 06:30 | 11.50 | 00 | Location Work | Location is now 65% complete. Five hours on two cats, and eleven hours on blade. |
| 18:00 | 12.00 | 00 | Location Work | No movement |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 2,950 | 26,074 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|--------------------|--------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| | | | | | | | | | |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 12/16/2006

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Stubbs & Stubbs Const

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 6.0

Rig Name/No: 00

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB):

Depth End (TVD) (ftKB):

Depth Progress (ft):

Average ROP (ft/hr):

Days From Spud (days): -55.63

CASING PROGRAM

| OD (in) | WT (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |

12/15/2006 06:00 - 12/16/2006 06:00

Operations at Report Time

Building location, 55% complete

Remarks

24hr Forecast

Building location

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|---------------|---|
| 06:00 | 1.00 | 00 | Location Work | No Movement |
| 07:00 | 10.50 | 00 | Location Work | Work is 55% done. 13 hrs on two dozers and 10 hrs on the bade. |
| 17:30 | 12.50 | 00 | Location Work | No Movement |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 4,753 | 23,124 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|--------------------|--------------------|---------------|------------------|--------------------|-----------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chi (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Stow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| | | | | | | | | | |

DAILY DRILL STRING INFORMATION

| DAILY DRILL STRING INFORMATION | | | | | | | | | | | | |
|--------------------------------|-----------|-----------|-------|-------------------------|------------------|---------------|----------------|-----------------|------------|-----------------|-----------------|------------------|
| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes | | | |
| | | | | | | | | | | | | |
| Depth End (ftKB) | | SPP (psi) | | Weight on Bit (1000lbf) | | RPM (rpm) | | Drilling Torque | | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 12/15/2006

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Stubbs & Stubbs Const

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 5.0

Rig Name/No: 00

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB):

Depth End (TVD) (ftKB):

Depth Progress (ft):

Average ROP (ft/hr):

Days From Spud (days): -56.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

12/14/2006 06:00 - 12/15/2006 06:00

Operations at Report Time

Building location, 35% complete

24hr Forecast

Building location

Remarks

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|---------------|--|
| 06:00 | 0.50 | 00 | Location Work | No Movement |
| 06:30 | 9.50 | 00 | Location Work | 35% of location now built, with eight hours on two dozers, and eight and a half hours on the blade. Location sign now at location |
| 16:00 | 14.00 | 00 | Location Work | No Movement |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 4,330 | 18,371 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|-----------|------------------------|----------------|--------|--------------------|--------------------|---------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | FV (s/qt) | PV Override (cp) | YP (lb/100ft³) | pH | Gel(10sec) (lb/ft) | Gel(10min) (lb/ft) | WL (mL/30min) | HTHP (mL/30min) | LCM | |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| | | | | | | | | | |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in ²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 12/14/2006

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Stubbs & Stubbs Const

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 4.0

Rig Name/No: 00

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB):

Depth End (TVD) (ftKB):

Depth Progress (ft):

Average ROP (ft/hr):

Days From Spud (days): -57.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |

12/13/2006 06:00 - 12/14/2006 06:00

Operations at Report Time

Building location, 25% complete

Remarks

24hr Forecast

Building location

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|---------------|---|
| 06:00 | 12.00 | 00 | Location Work | Began work on location and road into location, with two dozers and a blade. |
| 18:00 | 12.00 | 00 | Location Work | No movement. |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 7,138 | 14,041 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|----------|------------------------|------------------|----------------|-------------------|--------------------|--------------------|------------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| | | | | | | | | | |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|------|-----------|-------------------------|------------------|-----------------|-----------------|-----------------|------------------|
| Depth End (ftKB) | | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in ²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|-------------------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 12/13/2006

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor: Stubbs & Stubbs Const

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 3.0

Rig Name/No: 00

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB):

Depth End (TVD) (ftKB):

Depth Progress (ft):

Average ROP (ft/hr):

Days From Spud (days): -58.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |

12/12/2006 06:00 - 12/13/2006 06:00

Operations at Report Time

Transport equipment to location, location 5 % done

Remarks

24hr Forecast

Build location

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|---------------|--|
| 06:00 | 5.00 | 00 | Location Work | No Movement |
| 11:00 | 4.00 | 00 | Location Work | Moved equipment to location, will begin dirt work 12/13/06. Contact Bill Jr. and gave a tentative schedule of when dirt work will be done. 12/12/06 Ordered Location sign, will be finished in morning. 12/12/06 |
| 15:00 | 15.00 | 00 | Location Work | No Movement |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 540 | 6,904 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|----------------------|----------------------|----------------|--------------------|---------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/ft... | Gel(10min) (lb/ft... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (3/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf) ... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| | | | | | | | | | |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| | | | | | | | | | |
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 12/11/2006

AFE#: 05-6558

Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor:

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 2.0

Rig Name/No:

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB):

Depth End (TVD) (ftKB):

Depth Progress (ft):

Average ROP (ft/hr):

Days From Spud (days): -60.63

CASING PROGRAM

| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
|---------|-------------|-------|------------------|------------------------|------------|---------------------|
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |
| | | | | | | |

12/5/2006 06:00 - 12/11/2006 06:00

Operations at Report Time

No movement

Remarks

24hr Forecast

Build road & location

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|---------------|----------------|
| 06:00 | | 00 | Location Work | No movement |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| | 6,364 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| MUD PROPERTIES | | | | | | | | | | | |
|------------------------|-------------|----------|-----------|------------------------|----------------|------------|--------------------|--------------------|----------------|--------------------|--------------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/... | Gel(10min) (lb/... | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (7/32") | Pf (mL... | Pm (m... | O (%) | W (%) | Sd (%) | Chl (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole)... | Mud Lost (Surf)... |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P. (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|----------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| | | | | | | | | | |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP (...) | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |



The Houston Exploration Company

Daily Drilling Report

Report Date: 12/5/2006
AFE#: 05-6558
Cost Type:

Well Name: HACKING RESERVOIR 7-32-8-25

Contractor:

Field Name:

API: 43047375710000

Surface Legal Location: SW NE S32 T8S R25E

Target Depth (ftKB):

Original KB Elevation (ft): 5,455.00

Target Formation:

Drilling Hours (hrs):

Report Number: 1.0

Rig Name/No:

Lease: ML-11124

County: Uintah

State: Utah

Depth End (ftKB):

Depth End (TVD) (ftKB):

Depth Progress (ft):

Average ROP (ft/hr):

Days From Spud (days): -66.63

| CASING PROGRAM | | | | | | |
|----------------|-------------|-------|------------------|------------------------|------------|---------------------|
| OD (in) | Wt (lbs/ft) | Grade | Set Depth (ftKB) | Set Depth (TVD) (ftKB) | Run Date | Dens Fluid (lb/gal) |
| 14 | 36.75 | A-... | 60 | | 12/20/2006 | |
| 8 5/8 | 24.00 | J-55 | 780 | | 1/4/2007 | |

12/4/2006 06:00 - 12/5/2006 06:00

Operations at Report Time

Notify contractor and State & BLM

Remarks

24hr Forecast

Wait for Blue Stakes Conformation

DAILY CONTACTS

| Job Contact | Position |
|---------------|----------|
| Trevor Murray | |

TIME LOG

| From | HRS. (hrs) | Code | Description | Description OP |
|-------|------------|------|---------------|--|
| 06:00 | 5.00 | 00 | Location Work | Making contacts with BLM, dirt contractor, and Blue Stakes, so that everything will be ready to start building of new location. BLM Lands and Realty, notified 12/4/06 BLM wildlife biologist, notified 11/29/06 BLM geologist, notified 11/30/06 Dirt contractor notified 12/1/06 so that contractor could call Blue Stakes |
| 11:00 | 19.00 | 00 | Location Work | inactive |

COSTS

| Daily Cost Total | Cumulative Cost | Total AFE Amount | Total AFE Sup | Working Interest (%) | Daily Mud Cost | Cumulative Mud Cost |
|------------------|-----------------|------------------|---------------|----------------------|----------------|---------------------|
| 6,364 | 6,364 | 626,000 | | 100.00 | | |

MUD PROPERTIES

| MUD PROPERTIES | | | | | | | | | | | |
|------------------------|-------------|---------|-----------|------------------------|----------------|------------|--------------------|--------------------|----------------|------------------|-----------------|
| Mud Type | MW (lb/gal) | | FV (s/qt) | PV Override (cp) | YP (lb/100ft²) | pH | Gel(10sec) (lb/ft) | Gel(10min) (lb/ft) | WL (mL/30min) | HTHP (mL/30min) | LCM |
| Filter Cake (/32") | Pf (mL) | Pm (mL) | O (%) | W (%) | Sd (%) | Chi (mg/L) | MBT (lb/bbl) | Sol (%) | Calcium (mg/L) | Mud Lost (Hole) | Mud Lost (Surf) |
| Avg Background Gas (%) | | | | Avg Connection Gas (%) | | | Avg Drill Gas (%) | | | Avg Trip Gas (%) | |

PUMP OPERATIONS

| No. | Make | Model | Stroke (in) | Liner Size (in) | P (max) (psi) | Vol/Stk (bbl/stk) | Vol/Stk OR (bbl/stk) |
|-----|------|-------|-------------|-----------------|---------------|-------------------|----------------------|
| | | | | | | | |

PUMP CHECKS

| No. | Make | Model | Pres (psi) | Slow Spd | Strokes (spm) | Eff (%) | Q (gpm) |
|-----|------|-------|------------|----------|---------------|---------|---------|
| | | | | No | | | |

BIT INFORMATION

| Size (in) | Make | Type | Total depth drilled by bit (ft) | Avg ROP (all) (ft/hr) | Depth In (ftKB) | Depth Out (ftKB) | Dull Out | IADC Codes | Total hours drilled by bit (hrs) |
|-----------|------|------|---------------------------------|-----------------------|-----------------|------------------|----------|------------|----------------------------------|
| | | | | | | | | | |

DAILY DRILL STRING INFORMATION

| Bit Run | Size (in) | Make | Model | Depth In (ftKB) | Depth Out (ftKB) | Avg ROP ... | Nozzles (/32") | IADC Bit Dull | IADC Codes |
|------------------|-----------|-----------|-------------------------|-----------------|------------------|-----------------|-----------------|------------------|------------|
| Depth End (ftKB) | | SPP (psi) | Weight on Bit (1000lbf) | RPM (rpm) | Drilling Torque | PU HL (1000lbf) | SO HL (1000lbf) | Rot HL (1000lbf) | |

DAILY HYDRAULICS

| Max Open Hole AV (ft/min) | Max Casing AV (ft/min) | Bit Jet Velocity (ft/s) | Bit Pressure Drop (psi) | Bit Hydraulic Power (hp) | HP/Area (hp/in²) |
|---------------------------|------------------------|-------------------------|-------------------------|--------------------------|------------------|
| | | | | | |

BOTTOM HOLE ASSEMBLY DETAIL

| Jts | Item Description | OD (in) | ID (in) | Top Thread | Len (ft) | Cum Len (ft) |
|-----|------------------|---------|---------|------------|----------|--------------|
| | | | | | | |

MUD USAGE

| Description | Consumed | On Loc |
|-------------|----------|--------|
| | | |

CONSUMABLES

| Supply Item Description | Consumed | Cum On Loc |
|-------------------------|----------|------------|
| | | |

SAFETY CHECKS - JSA

| Date | Type | Description | Comment |
|------|------|-------------|---------|
| | | | |

Survey Data

| MD (ftKB) | Incl (°) | Azm (°) | TVD (ftKB) | VS (ft) | NS (ft) | EW (ft) | DLS (°/100ft) |
|-----------|----------|---------|------------|---------|---------|---------|---------------|
| | | | | | | | |